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Editor's Note: In order to present a clearer picture of a company's involvement in the Retail field, we have, in some cases, included only those divisions and subsidiaries related to Retail.

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1987 STATISTICS FOR LEADING U.S. & CANADIAN FOOD CHAINS

Company	Sales (000's) 1987	Sales (000's) 1986	% Change	Net Income (000's) 1987	Net Income (000's) 1986	% Change	% Net Income to Sales 1987	% Net Income to Sales 1986	Pre-Tax Income (000's) 1987	Pre-Tax Income (000's) 1986	Shareholders' Equity (000's) 1987	Shareholders' Equity (000's) 1986	% Net Income to Shareholders' Equity 1987	% Net Income to Shareholders' Equity 1986
Kroger* (A)	$17,659,730	$17,122,518	+ 3.14	$246,644	$51,493	+378.99	1.40	0.30	$323,143	$95,614	$1,133,511	$1,154,771	21.76	4.46
Amer. Stores	14,272,395	14,021,484	+ 1.79	154,310	144,528	+ 5.69	1.08	1.03	291,151	306,125	885,744	838,093	17.42	17.24
Geo. Weston	11,034,800	10,026,100	+10.06	134,100	118,600	+ 13.07	1.22	1.18	266,100	235,900	1,023,000	1,024,600	13.11	11.58
Super Valu*	9,371,665	9,065,819	+ 3.37	111,780	89,301	+ 25.17	1.19	0.99	198,269	188,930	677,429	596,216	16.50	14.98
Winn-Dixie	8,803,899	8,225,244	+ 7.04	112,300	116,391	- 3.51	1.28	1.42	174,249	192,378	739,418	704,558	15.19	16.52
Loblaw*	8,630,700	7,838,900	+10.10	73,600	73,700	- 0.14	0.85	0.94	125,600	118,200	690,300	655,200	10.66	11.25
Lucky Stores (B)	6,924,783	6,440,871	+ 7.51	151,687	225,940	- 32.86	2.19	3.51	216,061	101,791	327,330	272,089	46.34	83.04
Albertson's	5,869,423	5,379,643	+ 9.10	125,385	100,152	+ 25.19	2.14	1.86	211,854	184,781	665,208	594,379	18.85	16.85
Steinberg's (C)	4,491,355	4,041,948	+11.12	66,926	38,938	+ 71.88	1.49	0.96	82,902	73,766	689,789	539,631	9.70	7.22
Oshawa (D)	3,804,015	3,526,098	+ 7.88	49,887	47,251	+ 5.58	1.31	1.34	94,207	82,924	341,374	299,579	14.61	15.77
Supermkts. Gen. (E)	3,682,038	3,858,979	- 4.59	(41,783)	27,768	—	—	0.72	(56,139)	63,690	45,299	496,550	—	5.59
Vons† (F)	3,276,000	2,953,500	+10.92	1,600	(35,700)	—	0.05	—	3,100	(35,700)	153,900	63,300	1.04	—
Southland (G)	3,211,018	4,865,436	-34.00	(149,747)	90,078	—	—	1.85	(235,709)	67,172	(150,411)	1,667,831	—	5.40
Food Lion	2,953,807	2,406,582	+22.74	85,802	61,823	+ 38.79	2.90	2.57	150,702	122,923	339,224	264,864	25.29	23.34
Grand Union (H)	2,745,553	2,661,616	+ 5.13	34,125	20,493	+ 66.52	1.24	0.78	63,125	31,093	197,088	162,963	17.31	12.58
Giant Food*	2,721,260	2,528,492	+ 7.62	75,572	46,453	+ 62.68	2.78	1.84	131,725	93,266	355,570	299,926	21.25	15.49
Circle K	2,289,444	2,111,267	+ 8.44	49,430	39,222	+ 26.03	2.16	1.86	94,296	69,603	310,013	200,102	15.94	19.60
Nash Finch*	1,919,461	1,557,033	+23.28	18,502	13,834	+ 33.74	0.96	0.89	32,919	26,012	140,850	116,416	13.14	11.88
Weis Markets	1,128,325	1,101,473	+ 2.44	75,982	65,261	+ 16.43	6.73	5.92	130,832	122,148	454,012	407,494	16.74	16.02
Hannaford*	1,033,418	910,202	+13.54	24,083	18,817	+ 27.99	2.33	2.07	45,060	38,865	140,070	119,801	17.19	15.71
Borman's* (I)	1,028,255	1,072,998	- 4.17	(28,081)	9,168	—	—	0.85	(28,311)	11,048	10,110	38,783	—	23.64
Ruddick	971,353	883,641	+ 9.93	14,365	13,425	+ 7.00	1.48	1.52	27,512	22,279	131,262	118,736	10.94	11.31
Big Bear	871,156	861,630	+ 1.11	13,468	13,220	+ 1.88	1.55	1.53	24,642	24,664	91,970	78,505	14.64	16.84
Marsh Supermkts.	848,125	772,241	+ 9.83	7,823	6,695	+ 16.85	0.92	0.87	11,935	11,351	56,645	50,637	13.81	13.22
Nat'l. Convenience	828,044	949,874	-12.83	(5,445)	3,582	—	—	0.38	(9,898)	4,152	73,511	89,509	—	4.00
Pueblo Int'l. (J)	816,100	692,101	+17.92	(480)	6,774	—	—	0.98	4,610	10,465	52,113	55,899	—	12.12
Delchamps	784,893	688,632	+13.98	10,814	12,072	- 10.42	1.38	1.75	10,814	12,072	66,175	72,187	16.34	16.72
Ingles Mkts.	666,870	590,653	+12.90	9,169	8,650	+ 6.00	1.37	1.46	15,869	16,536	100,657	59,075	9.11	14.64
Godfrey	664,307	601,776	+10.39	8,333	5,473	+ 52.26	1.25	0.91	15,823	9,763	40,291	33,854	20.68	16.17
Super Rite	642,485	602,554	+ 6.63	4,967	3,803	+ 30.61	0.77	0.63	8,897	7,539	37,370	33,406	13.29	11.38
Penn Traffic	625,208	547,991	+14.09	616	7,300	- 91.56	0.10	1.33	2,961	13,920	8,862	62,321	7.10	11.71
Dairy Mart (K)	529,540	399,006	+32.71	4,023	(3,516)	—	0.76	—	6,671	(4,049)	29,118	26,724	13.82	—
Fisher Foods	487,303	589,583	-17.35	(27,408)	(1,949)	—	—	—	—	—	22,917	50,103	—	—
Foodarama	482,088	471,886	+ 2.16	4,217	1,681	+150.86	0.87	0.36	6,826	3,489	28,328	26,916	14.89	6.25
Arden Group* (L)	359,872	398,834	- 9.77	7,375	4,609	+ 60.01	2.05	1.16	14,952	9,838	27,483	40,420	26.83	11.40

NOTE: Allied Supermarkets, now Meadowdale Foods, Inc. became private in a leveraged buyout July 22, 1987.
Big V Supermarkets went private in a leveraged buyout October, 1987.
Shaw's Supermarkets was acquired by J. Sainsbury's of London.
Stop & Shop went private June 22, 1988.
Current information for Great A&P is not available; sales for 1986 were $7,834,859,000.
The criterion for inclusion in this list is that the sales of each chain be at least $350,000,000.
In some instances, comparative figures for 1986 have been restated for various reasons.

( ) Designates a loss.
N/A Not Available.
† 53 weeks in 1987; 52 weeks in 1986.
* 52 weeks in 1987; 53 weeks in 1986.

FOOTNOTES:
(A) Net income of Kroger includes discontinued operations in 1986.
(B) Net income of Lucky Stores includes discontinued operations in both years and an extraordinary loss of $7,315,000 in 1986.
(C) Net income of Steinberg's includes an extraordinary gain of $8,457,000 in 1987; sales include other income.
(D) Net income of Oshawa Group includes an extraordinary gain of $4,023,000 in 1986.
(E) Supermarkets General Holdings Corp. was formed to effect the acquisition of Supermarkets General Corp. October 5, 1987.
1987 sales figures are for 33 weeks; 1986 figures are for 35 weeks.
(F) Net income for Vons includes an extraordinary gain of $5,500,000 in 1987.
(G) Southland Corporation became wholly owned by affiliates of The Thompson Company, August 1, 1987. 1987 figures are for the successor company and are for a five-month period; 1986 figures are for the predecessor company and are for a seven-month period. Net income includes discontinued operations in 1986.
(H) Grand Union is a wholly owned subsidiary of Cavenham Holdings, a privately held company. Grand Union's debentures are privately traded.
(I) Net income of Borman's includes an extraordinary gain of $2,910,000 in 1986.
(J) Net income of Pueblo Int'l. includes an extraordinary gain of $610,000 in 1986.
(K) Net income of Dairy Mart includes an extraordinary gain of $300,000 in 1987.
(L) Net income of Arden Group includes an extraordinary loss of $230,103 in 1987.

1987 STATISTICS FOR LEADING DEPARTMENT STORES

(000s omitted)	Sales 1987	Sales 1986	% Change	Profits 1987	Profits 1986	% Change	Profit to Sales 1987	Profit to Sales 1986	Pre-Tax Profits 1987	Pre-Tax Profits 1986	Shareholders' Equity 1987	Shareholders' Equity 1986	Profit/Aver. Equity
Federated	$11,717,840	$10,512,000	+ 5.8	$312,982	$287,600	+ 8.8	2.8	2.7	$529,982	$567,041	$2,629,067	$2,662,554	11.8
Dayton Hudson Corp.	10,67 ,300	9,259,100	+ 15.3	228,400	310,00?	− 26.3	2.1	3.3	399,800	494,200	1,986,000	2,179,500	11.0
May Dept. Stores	10,314,000	9,500,000	+ 8.6	444,000	381,600	+ 16.5	4.3	4.0	743,000	668,000	2,723,000	2,595,000	16.7
Carter Hawley Hale (1)	2,869,205	2,470,536	+ 16.1	(178,651)	40,727	—	+ 6.2	1.6	(164,083)	3,?13	445,772	664,000	—
Batus Retail	2,568,636	2,471,280	+ 3.9	N/A	N/A	N/A	N/A	N/A	171,211	196,543	N/A	N/A	N/A
Dillard Dept. Store	2,206,347	1,851,423	+ 19.2	91,223	74,458	+ 22.5	4.1	4.0	155,223	131,858	643,386	556,617	15.2
Mercantile	2,155,653	2,028,202	+ 6.3	129,556	111,065	+ 16.6	6.0	5.5	227,140	216,200	872,335	767,728	15.8
Carson Pirie Scott & Co.	950,433	781,787	+ 21.6	(26,695)	18,722	—	− 2.8	2.4	14,200	10,081	148,578	230,494	—
Strawbridge & Clothier	814,313	739,117	+ 10.2	27,014	20,692	+ 30.6	3.3	2.8	48,739	41,734	190,050	167,922	15.1
D.H. Holmes	274,929	270,434	+ 1.7	1,554	355	+ 337.7	0.6	0.1	(6,169)	(572)	67,188	67,833	2.3
Crowley Milner & Co.	113,735	112,961	+ 0.7	(1,902)	1,740	—	− 1.7	1.5	(3,585)	2,498	19,109	21,521	—
TOTAL	44,062,391	39,996,840	+ 10.2	1,027,481	1,246,359	− 17.6	2.3	3.1	2,115,458	2,330,626	9,724,485	9,913,159	10.5

1987 STATISTICS FOR LEADING SPECIALTY STORES

(000s omitted)	Sales 1987	Sales 1986	% Change	Profits 1987	Profits 1986	% Change	Profit to Sales 1987	Profit to Sales 1986	Pre-Tax Profits 1987	Pre-Tax Profits 1986	Shareholders' Equity 1987	Shareholders' Equity 1986	Profit/Aver. Equity
Melville Corp.	$5,930,283	$5,262,364	+ 12.7	$285,384	$238,332	+ 19.7	4.8	4.5	$518,601	$479,963	$1,458,587	$1,263,004	21.0
The Limited	3,527,941	3,142,696	+ 12.3	235,188	227,780	+ 3.3	6.7	7.2	378,188	394,780	729,171	781,542	31.1
Nordstrom	1,920,231	1,629,918	+ 17.8	92,733	72,939	+ 27.1	4.8	4.5	162,733	140,239	533,209	451,196	18.8
Petrie Stores	1,241,554	1,198,391	+ 3.6	47,543	73,691	− 35.5	3.8	6.1	69,696	122,575	538,579	517,933	9.0
The Gap	1,062,021	848,009	+ 25.2	69,595	68,099	+ 2.2	6.6	8.0	124,722	137,228	272,912	211,953	28.7
Edison Bros.	931,000	904,200	+ 3.0	(12,200)	33,900	—	—	3.7	(34,500)	62,400	193,300	224,900	—
Charming Shoppes	638,638	521,234	+ 22.5	42,585	40,469	+ 5.2	6.7	7.8	69,524	75,260	193,949	153,764	24.5
Jacobsons	326,672	308,460	+ 5.9	10,542	11,927	− 11.6	3.2	3.9	17,278	21,775	67,166	58,276	16.8
Merry-Go-Round	255,190	207,483	+ 23.0	10,080	7,485	+ 34.7	3.9	3.6	17,759	14,664	52,599	42,484	21.2
Haverty Furniture	217,467	188,715	+ 15.2	8,702	7,250	+ 20.0	4.0	3.8	14,631	13,633	66,877	62,506	13.5
Deb Shops	198,447	181,412	+ 9.4	11,954	12,615	− 5.2	6.0	7.0	20,604	24,015	59,635	50,323	21.7
Paul Harris Stores	190,242	160,966	+ 18.2	4,750	6,157	− 22.9	2.5	3.8	6,719	11,395	51,417	44,746	9.9
Evans	133,201	142,121	− 6.3	(903)	2,090	—	—	1.5	(2,648)	4,354	51,885	52,706	—
Kenwin Shops, Inc.	27,674	27,934	− 0.9	(288)	(399)	—	—	—	(565)	(714)	6,795	7,185	—
TOTAL	16,600,561	14,723,903	+ 12.7	805,665	802,335	+ 0.4	4.9	5.4	1,362,742	1,501,567	4,276,081	3,922,518	19.7

FOOTNOTES:
(Losses)
(1) 12 months ended August 1.

(Reprinted from *Daily News Record*, August 8, 1988.)

1987 STATISTICS FOR LEADING U.S. & CANADIAN DRUG CHAINS

Company	Sales ('000's) 1987	Sales ('000's) 1986	% Change	Net Income ('000's) 1987	Net Income ('000's) 1986	% Change	% Net Income to Sales 1987	% Net Income to Sales 1986	Pre-Tax Income ('000's) 1987	Pre-Tax Income ('000's) 1986	Shareholders' Equity ('000's) 1987	Shareholders' Equity ('000's) 1986	% Net Income to Shareholders' Equity 1987	% Net Income to Shareholders' Equity 1986
Imasco (A)	$5,625,074	$5,325,134	+ 5.63	$183,567	$261,745	– 29.87	3.26	4.92	$267,947	$407,192	$2,102,918	$1,517,091	8.73	17.25
Walgreen	4,281,606	3,660,553	+ 16.97	103,537	103,137	+ 0.39	2.42	2.82	194,183	187,626	622,328	553,611	16.64	18.63
Rite Aid (B)	2,486,319	1,756,706	+ 41.53	144,553	77,984	+ 85.36	5.81	4.44	93,782	77,984	571,014	452,544	25.32	17.23
Thrifty Corp. (C)	1,850,000	1,560,000	+ 18.59	39,500	32,100	+ 23.05	2.14	2.06	—	—	—	—	—	—
Longs Drug	1,772,460	1,635,442	+ 8.38	49,218	38,594	+ 27.53	2.78	2.36	88,318	74,894	263,641	290,444	18.67	13.29
Pay 'n Save	726,131	555,098	+ 30.81	(26,828)	(49,363)	—	—	—	—	—	86,078	103,503	—	—
Perry Drug (D)	725,743	647,987	+ 12.00	(7,881)	5,878	—	—	0.91	(14,869)	8,711	71,936	81,570	—	7.21
Fay's Drug	500,414	452,300	+ 10.64	5,942	4,098	+ 45.00	1.19	0.91	10,251	6,835	54,599	55,218	10.88	7.42
Genovese	313,927	270,760	+ 15.94	4,637	2,035	+ 127.86	1.48	0.75	7,388	4,228	30,377	26,388	15.26	7.71
Big B	248,563	209,787	+ 18.48	7,276	4,467	+ 62.81	2.93	2.13	12,131	8,209	59,557	57,527	12.22	7.77

NOTE: The criterion for inclusion in this list is that the sales of the chain be at least $200,000,000. K Mart Corporation owns Pay Less Drug Stores NW but does not break down its revenues by line of business.

( ) Designates a loss.

† 53 weeks in 1987; 52 weeks in 1986.

* 52 weeks in 1987; 53 weeks in 1986.

FOOTNOTES:

(A) Net income of Imasco includes an extraordinary loss of $29,079,000 in 1987.

(B) Net income of Rite Aid includes discontinued operations in 1987.

(C) Thrifty Corporation is a subsidiary of Pacific Enterprises; figures are for the Thrifty segment only.

(D) The drugstore segment of Perry Drug has sales of $549,908,000 in 1987 and $486,988,000 in 1986.

1987 STATISTICS FOR LEADING U.S. & CANADIAN SHOE CHAINS

Company	Sales ('000's) 1987	Sales ('000's) 1986	% Change	Net Income ('000's) 1987	Net Income ('000's) 1986	% Change	% Net Income to Sales 1987	% Net Income to Sales 1986	Pre-Tax Income ('000's) 1987	Pre-Tax Income ('000's) 1986	Shareholders' Equity ('000's) 1987	Shareholders' Equity ('000's) 1986	% Net Income to Shareholders' Equity 1987	% Net Income to Shareholders' Equity 1986
Melville	$5,930,283	$5,262,364	+ 12.69	$285,384	$238,332	+ 19.74	4.81	4.53	$518,601	$479,963	$1,458,587	$1,263,004	19.57	18.87
INTERCO (A)	3,341,423	2,946,902	+ 13.39	145,003	125,774	+ 15.29	4.34	4.27	253,460	237,711	1,251,337	1,236,215	11.59	9.48
U.S. Shoe	2,167,554	2,003,246	+ 8.20	52,065	25,472	+ 104.40	2.40	1.27	60,958	49,472	518,393	488,818	10.04	5.21
Nordstrom	1,920,231	1,629,918	+ 17.81	92,733	72,939	+ 27.14	4.83	4.48	162,733	140,239	533,209	451,196	17.39	16.17
Brown Group	1,678,378	1,406,527	+ 19.33	46,853	39,503	+ 18.61	2.79	2.81	74,056	69,515	355,001	353,089	13.20	11.19
Edison Bros.*	931,000	904,200	+ 2.96	(12,200)	33,900	—	—	3.75	(34,500)	62,400	193,300	224,900	—	15.07
Genesco (B)	405,844	514,589	– 21.13	11,444	20,426	– 43.97	2.82	3.97	7,281	15,220	85,728	75,653	13.35	27.00
Stride Rite	333,733	283,457	+ 17.74	24,121	17,014	+ 41.77	7.23	6.00	42,560	30,939	119,237	122,729	20.23	13.86

NOTE: The criterion for inclusion in this list is that the sales of the chain be at least $200,000,000. Morse Shoe became privately held via a leveraged buyout January, 1988.

( ) Designates a loss.

† 53 weeks in 1987; 52 weeks in 1986.

* 52 weeks in 1987; 53 weeks in 1986.

FOOTNOTES:

(A) Figures for INTERCO have been restated to include operations of The Lane Company, Inc., acquired on a pooling of interests basis.

(B) Net income of Genesco includes discontinued operations in both years and extraordinary gains of $3,441,000 in 1988 and $5,199,000 in 1987.

1987 STATISTICS FOR LEADING MASS MERCHANDISERS

(000s omitted)	Sales 1987	Sales 1986	% Change	Profits 1987	Profits 1986	% Change	Profit to Sales 1987	Profit to Sales 1986	Pre-Tax Profits 1987	Pre-Tax Profits 1986	Shareholders' Equity 1987	Shareholders' Equity 1986	Profit/Aver. Equity
Sears, Roebuck (1)	$25,874,700	$24,811,400	+4.3	$787,400	$736,000	+ 7.0	3.0	3.0	$1,402,000	$1,485,500	$6,317,200	$6,635,000	12.2
K Mart	25,627,000	23,812,000	+7.6	692,000	582,000	+18.9	2.7	2.4	1,171,000	1,028,000	4,409,000	3,939,000	16.6
J.C. Penney	15,332,000	14,740,000	+4.0	608,000	478,000	+27.2	4.0	3.2	925,000	925,000	4,173,000	4,340,000	14.3
F.W. Woolworth	7,134,000	6,501,000	+9.7	251,000	214,000	+17.3	3.5	3.3	406,000	374,000	1,716,000	1,484,000	15.7
Montgomery Ward	4,639,000	4,383,000	+5.8	130,000	106,000	+22.6	2.8	2.4	218,000	198,000	N/A	N/A	N/A
TOTAL	78,606,700	74,247,400	+5.9	2,468,400	2,116,000	+16.7	3.1	2.8	4,122,000	4,010,500	16,615,200	16,398,000	15.0

1987 STATISTICS FOR LEADING DISCOUNT STORES

(000s omitted)	Sales 1987	Sales 1986	% Change	Profits 1987	Profits 1986	% Change	Profit to Sales 1987	Profit to Sales 1986	Pre-Tax Profits 1987	Pre-Tax Profits 1986	Shareholders' Equity 1987	Shareholders' Equity 1986	Profit/Aver. Equity
Wal-Mart Stores	$15,959,255	$11,909,076	+34.0	$627,643	$450,086	+39.4	3.9	3.8	$1,068,670	$846,026	$2,257,267	$1,690,493	31.8
Zayre	6,186,476	5,350,638	+15.6	143,312	88,974	+61.1	2.3	1.7	224,564	172,483	731,324	652,314	20.7
Ames Dept. Store	2,111,940	1,888,471	+11.8	34,157	27,129	+25.9	1.6	1.4	57,630	54,257	424,880	394,205	8.3
Rose's Stores	1,336,794	1,198,941	+11.5	18,095	24,049	−24.8	1.4	2.0	31,612	43,599	193,273	181,109	9.7
Jamesway	701,412	612,392	+14.5	11,603	12,124	− 4.3	1.7	2.0	20,500	23,094	118,783	109,391	10.2
Family Dollar	560,339	487,735	+14.9	24,802	30,510	−18.7	4.4	6.3	46,783	57,539	159,572	141,294	16.5
TOTAL	26,856,216	21,447,253	+25.2	859,612	632,872	+35.8	3.2	3.0	1,449,759	1,196,998	3,885,099	3,168,806	24.4

1987 STATISTICS FOR LEADING OFF-PRICE STORES

(000s omitted)	Sales 1987	Sales 1986	% Change	Profits 1987	Profits 1986	% Change	Profit to Sales 1987	Profit to Sales 1986	Pre-Tax Profits 1987	Pre-Tax Profits 1986	Shareholders' Equity 1987	Shareholders' Equity 1986	Profit/Aver. Equity
Ross Stores	$575,990	$534,413	+ 7.8	$17,125	($41,449)	—	3.0	—	$18,925	($45,475)	$118,570	$84,945	16.8
Burlington Coat Factory	480,718	381,792	+25.9	20,262	17,326	+ 16.9	4.2	4.5	35,588	32,940	150,830	130,060	14.4
Syms	256,756	223,071	+15.1	17,780	14,773	+ 20.4	6.9	6.6	32,561	29,731	98,811	81,031	19.8
Clothestime	178,695	160,334	+11.5	6,509	11,908	− 45.3	3.6	7.4	11,537	23,902	41,470	34,726	17.1
Dress Barn	173,671	135,828	+27.9	12,908	9,161	+ 40.9	7.4	6.7	24,447	17,671	39,779	26,193	39.1
Allison's Place	28,994	22,828	+27.0	(4,473)	315	—	—	1.4	(4,897)	604	2,107	6,607	—
TOTAL	1,694,824	1,458,266	+16.2	70,111	12,034	+482.6	4.1	0.8	118,161	59,373	451,567	363,562	17.2

1987 STATISTICS FOR OTHER LEADING RETAILERS

(000s omitted)	Sales 1987	Sales 1986	% Change	Profits 1987	Profits 1986	% Change	Profit to Sales 1987	Profit to Sales 1986	Pre-Tax Profits 1987	Pre-Tax Profits 1986	Shareholders' Equity 1987	Shareholders' Equity 1986	Profit/Aver. Equity
Interco	$3,341,423	$2,946,902	+13.4	$145,003	$125,774	+15.3	4.3	4.3	$253,360	$237,711	$1,251,337	$1,326,215	11.3
Rapid-American	1,489,415	1,893,500	−21.3	(121,707)	(11,436)	—	—	—	(150,914)	(30,970)	1,409	109,923	—
Dollar General	588,436	564,782	+ 4.2	6,502	4,318	+50.6	1.1	0.8	11,606	7,629	109,455	108,789	6.0
New Process	362,577	359,609	+ 0.8	22,646	17,695	+28.0	6.2	4.9	40,410	35,740	90,471	81,246	26.4
TOTAL	5,781,851	5,764,793	+ 0.3	52,444	136,351	−61.5	0.9	2.4	154,562	250,110	1,452,672	1,617,173	3.4

FOOTNOTES:
(Losses)
(1) Merchandising division

LEADING FOOD CHAIN AVERAGES

(Average)	1987	1986	% Change
Sales	$3,612,248,000	$3,449,046,000	+ 4.73
Net Income	40,684,000	41,244,000	- 1.36
Pre-Tax Income	72,257,000	68,575,000	+ 5.37
Shareholders' Equity	283,867,000	323,298,000	- 12.20
% Net Income to Sales	1.13	1.20	- 5.83
% Net Income to Shareholders' Equity	14.33	12.76	+ 12.30

LEADING FOOD CHAIN HISTORICAL AVERAGES

(Average)	Sales	Net Income
1987	$3,612,248,000	$40,684,000
1986	3,449,046,000	41,244,000
1985	2,991,306,000	41,263,000
1984	3,483,547,000	43,236,000
1983	3,878,137,000	42,921,000
1982	3,642,425,000	37,662,000
1981	3,337,345,000	34,437,000
1980	2,989,624,000	29,390,000
1979	2,520,472,000	19,965,000
1978	2,345,823,000	21,389,000

LEADING DRUG CHAIN AVERAGES

(Average)	1987	1986	% Change
Sales	$1,853,024,000	$1,607,377,000	+ 15.28
Net Income	50,352,000	48,067,000	+ 4.75
Pre-Tax Income	82,391,000	96,960,000	- 15.03
Shareholders' Equity	429,161,000	348,655,000	+ 23.09
% Net Income to Sales	2.72	2.99	- 9.03
% Net Income to Shareholders' Equity	11.73	13.79	- 14.94

LEADING DRUG CHAIN HISTORICAL AVERAGES

(Average)	Sales	Net Income
1987	$1,853,024,000	$50,352,000
1986	1,607,377,000	48,067,000
1985	1,685,907,000	56,697,000
1984	2,950,485,000	73,994,000
1983	2,961,222,000	71,191,000
1982	1,473,850,000	36,843,000
1981	1,326,068,000	33,488,000
1980	1,154,711,000	27,073,000
1979	611,382,000	16,477,000
1978	568,427,000	14,646,000

LEADING SHOE CHAIN AVERAGES

(Average)	1987	1986	% Change
Sales	$2,088,556,000	$1,868,900,000	+ 11.75
Net Income	80,675,000	71,670,000	+ 12.56
Pre-Tax Income	135,644,000	135,682,000	- 0.03
Shareholders' Equity	564,349,000	538,200,000	+ 4.86
% Net Income to Sales	3.86	3.83	+ 0.78
% Net Income to Shareholders' Equity	14.30	13.32	+ 7.36

LEADING SHOE CHAIN HISTORICAL AVERAGES

(Average)	Sales	Net Income
1987	$2,088,556,000	$80,675,000
1986	1,868,900,000	71,670,000
1985	1,563,646,000	51,927,000
1984	1,463,152,000	51,793,000
1983	1,543,009,000	64,782,000
1982	1,363,954,000	48,090,000
1981	1,277,904,000	55,256,000
1980	1,130,326,000	48,644,000
1979	986,516,000	45,213,000
1978	874,593,000	39,677,000

LEADING DEPARTMENT STORE AVERAGES

(Average)	1987	1986	% Change
Sales	$4,005,672,000	$3,636,076,000	+10.16
Net Income	102,748,000	124,636,000	−17.56
Pre-Tax Income	192,314,000	211,875,000	− 9.23
Shareholders' Equity	972,448,000	901,196,000	+ 7.91
% Net Income to Sales	2.57	3.43	−25.07
% Net Income to Shareholders' Equity	10.57	13.83	−23.57

LEADING SPECIALTY STORE AVERAGES

(Average)	1987	1986	% Change
Sales	$1,185,754,000	$1,051,707,000	+12.75
Net Income	57,547,000	57,310,000	+ 0.41
Pre-Tax Income	97,339,000	107,255,000	− 9.25
Shareholders' Equity	305,434,000	280,180,000	+ 9.01
% Net Income to Sales	4.85	5.45	−11.01
% Net Income to Shareholders' Equity	18.84	20.45	− 7.87

LEADING MASS MERCHANDISER AVERAGES

(Average)	1987	1986	% Change
Sales	$15,721,340,000	$14,849,480,000	+ 5.87
Net Income	493,680,000	423,200,000	+16.65
Pre-Tax Income	824,400,000	802,100,000	+ 2.78
Shareholders' Equity	4,153,800,000	4,099,500,000	+ 1.32
% Net Income to Sales	3.14	2.85	+10.18
% Net Income to Shareholders' Equity	11.89	10.32	+15.21

LEADING DISCOUNTER AVERAGES

(Average)	1987	1986	% Change
Sales	$4,476,036,000	$3,574,542,000	+25.22
Net Income	143,269,000	105,479,000	+35.83
Pre-Tax Income	241,626,000	199,500,000	+21.12
Shareholders' Equity	647,516,000	528,134,000	+22.60
% Net Income to Sales	3.20	2.95	+ 8.47
% Net Income to Shareholders' Equity	22.13	19.97	+10.82

LEADING OFF-PRICE STORE AVERAGES

(Average)	1987	1986	% Change
Sales	$282,471,000	$243,044,000	+ 16.22
Net Income	11,685,000	2,006,000	+482.50
Pre-Tax Income	19,693,000	9,895,000	+ 99.02
Shareholders' Equity	75,261,000	60,594,000	+ 24.21
% Net Income to Sales	4.14	0.83	+398.80
% Net Income to Shareholders' Equity	15.53	3.31	+369.18

OTHER LEADING RETAILER AVERAGES

(Average)	1987	1986	% Change
Sales	$1,445,463,000	$1,441,198,000	+ 0.30
Net Income	13,111,000	34,088,000	−61.54
Pre-Tax Income	38,640,000	62,527,000	−38.20
Shareholders' Equity	363,168,000	404,293,000	−10.17
% Net Income to Sales	0.91	2.37	−61.60
% Net Income to Shareholders' Equity	3.61	8.43	−57.18

LEADING RETAIL COMPANIES BY PROFIT-TO-SALES RATIO

FOOD CHAINS

Food Lion	2.90
Giant Food	2.78
Hannaford	2.33
Lucky Stores	2.19
Circle K	2.16
Albertson's	2.14
Arden Group	2.05
Big Bear	1.55
Steinberg's	1.49
Ruddick	1.48
Kroger	1.40

DEPARTMENT STORES

Mercantile	6.0
May Dept. Stores	4.3
Dillard	4.1
Strawbridge & Clothier	3.3
Federated	2.8
Dayton Hudson	2.1
D.H. Holmes	0.6

SPECIALTY STORES

Charming Shoppes	6.7
The Limited	6.7
The Gap	6.6
Deb Shops	6.0
Nordstrom	4.8
Melville	4.8
Haverty Furniture	4.0
Merry-Go-Round	3.9
Petrie Stores	3.8
Jacobson's	3.2
Paul Harris Stores	2.5

DRUG CHAINS

Rite Aid	5.81
Imasco	3.26
Big B	2.93
Longs Drug	2.78
Walgreen	2.42
Thrifty Corp.	2.14
Genevese	1.48
Fay's Drug	1.19

SHOE CHAINS

Stride Rite	7.23
Nordstrom	4.83
Melville	4.81
INTERCO	4.34
Genesco	2.82

MASS MERCHANDISERS

J.C. Penney	4.0
F.W. Woolworth	3.5
Sears, Roebuck	3.0
Montgomery Ward	2.8
K Mart	2.7

DISCOUNTERS

Family Dollar	4.4
Wal-Mart	3.9
Zayre	2.3
Jamesway	1.7
Ames Dept. Stores	1.6

OFF-PRICE STORES

Dress Barn	7.4
Syms	6.9
Burlington Coat	4.2
Clothestime	3.6
Ross Stores	3.0

ACA JOE, Inc.

(formerly ACA JOE)

(Operating under Chapter 11 of the U.S. Bankruptcy Code.)
111 Maiden Lane, Suite 720
San Francisco, California 94108
(415) 546-0558

Officers: Walter A. Singer, chairman of the board & chief executive officer; Harry R. Kraatz, vice chairman & president; Hope M. Schor, president-Aca Joe Retail; Theodore R. Upland, III, v.p.-finance & administration & chief financial officer.

Directors: Walter A. Singer, chairman; Harry R. Kraatz, Richard S. Nair, Donald A. Karas, Arcangelo C. Rosato, Albert L. Rosen, Lawrence Chimerine, Michael T. Hsieh.

Business Activities: Operates 62 ACE JOE men's retail clothing stores in 16 states and the District of Columbia. The Company also licenses the ACE JOE name to operators of 38 ACE JOE stores in 17 states, Canada, and England.

Subsidiaries:

Aca Joe International, Inc.
Aca Joe Intercon, Ltd.
Aca Joe Retail, Inc.
Aca Joe Eastern, Ltd.
Aca Joe Outlets, Inc.

Transfer Agent(s):

Bank of America NT & SA
San Francisco, California

Stock Exchange(s): Over-the-Counter

Number of Stores:* (at fiscal year end)

1987	62	1984	57
1986	10	1983	74
1985	4		

* Company-operated only.

Sales & Earnings x

	Net Sales +	Net Income
1987	$ 22,957,157	$ (11,907,140)
1986	12,846,792	874,473
1985*	12,754,451	(3,063,806)
1984	16,894,730	(2,852,793)
1983	18,701,656	(72,219)

	No. of Com. Shares ‡	Earn. per Share ‡
1987	14,202,684	$ —
1986	12,469,735	0.07
1985*	8,690,665	—
1984	6,479,713	—
1983	4,411,673	—

(Loss)
x Restated to include operations of The Embarcadero Group, acquired on a pooling of interests basis.
* 53 weeks.
+ Of continuing operations only.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity x

	Total Equity	Equity Per Share ‡
1987	$ 2,122,109	$ 0.15
1986	10,364,725	0.83
1985	(252,992)	—
1984	2,586,124	0.40
1983	3,659,036	0.83

(Deficiency)
x Restated.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended	1/31/87	2/2/86 ‡
Wholesale sales	$ 15,727,663	$ 4,529,432
Retail sales	7,121,994	3,597,360
Licensing revenue	107,500	4,720,000
Total sales	$ 22,957,157	$ 12,846,792
Cost of sales	16,995,220	5,530,145
Expenses	12,764,754	5,900,048
Interest expense	533,511	172,740
Interest income	(377,626)	(425,748)
Other expense	112,755	269,404
Consideration to deben. holders	—	231,000
Write-off of intang.	4,627,015	—
Loss on sublease	208,668	—
Inc. (loss) bef. taxes	$ (11,907,140)	$ 1,179,203
Income taxes	—	285,100
Inc. (loss) from discont. oper.	$ (11,907,140)	$ 894,103
Loss from discont. oper.	—	(19,630)
Net Income (Loss)	$ (11,907,140)	$ 874,473

* Included in Costs and Expenses, Depreciation and Amortization: $816,005 in 1987 and $305,276 in 1986.
‡ Restated.

Assets

As of	1/31/7	2/2/86 ‡
Cash	$ 1,429,870	$ 1,073,243
Int. bearing deposits	—	5,953,705
Accts. receiv., net	1,562,528	3,952,430
*Inventories	7,259,646	4,223,467
Prepaid expenses	319,825	538,342
Current Assets	$ 10,571,869	$ 15,841,187
#Fixed assets	4,440,556	3,253,987
Assets held for resale	4,132,940	—
Intangibles	1,251,484	—
Other assets	593,874	373,999
Total Assets	$ 20,990,723	$ 19,469,173

Liabilities

Notes payable	$ 3,496,350	$ —
Long-term debt, curr.	—	81,763
Cap. lease oblig., curr.	291,212	188,265
Bankers' acceptances	6,546,867	3,527,253
Accts. payable & accruals	6,087,414	3,010,492
Accts. payable - related parties	159,000	572,000
Accrued liab. - discont. oper.	800,000	130,478
Reserve for loss on subleases	52,972	—
Curr. Liabilities	$ 17,433,815	$ 7,310,251
Long-term debt	—	179,182
Cap. lease oblig.	896,856	695,015
Deferred income	285,000	720,000
Reserve for loss on subleases	252,943	—
+ Common stock	184,424	1,360,809
Add. paid-in capital	18,397,500	13,438,869
Stock subscrip.	(342,722)	(125,000)
Accum. deficit	(16,217,093)	(4,309,953)
Total Liabilities & Shareholders' Equity	$ 20,990,723	$ 19,469,173

‡ Restated.
* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.01 par value in 1987; $0.10 in 1986.

Statistical Summary

%Net Income to Equity	—	8.44
Debt to Equity	2.21	0.11
Working Capital	—	$ 8,330,936
Current Ratio	—	2.11
Shareholders' Equity	$ 2,122,109	$ 10,364,725

Aileen, Inc.

331 East 38th Street
New York, New York 10016
(212) 679-7010

Officers: Abe Oberlin, chairman of the board & president; C. W. Lillard, v.p.; Francis Holden, v.p.; Robert W. Tarpley, treasurer & asst. secretary; Alvin M. Stein, secretary.

Directors: Abe Oberlin, chairman; Wilbur L. Ross, Jr., Isidor B. Seidler, Francis Holden, C. W. Lillard.

Business Activities: Manufactures women's apparel and markets it through its 136 retail clothing stores located primarily on the East coast.

Divisions:

Aileen Division
1411 Broadway
New York, New York 10018
Manufactures and markets moderately priced active sportswear for the young woman.

The Aileen II Division
1411 Broadway
New York, New York 10018
Manufactures large-sized women's clothing.

Transfer Agents:

Manufacturers Hanover Trust Company
New York, New York

Stock Exchange(s): New York

Ticker Symbol: AEE

Number of Stores: (at fiscal year end)

1987	136	1985	44
1986	83	1984	31

Sales & Earnings

	Net Sales	Net Income
1987	$ 52,218,000	$ (6,379,000)
1986	44,774,000	(2,403,000)
1985	53,259,000	112,000
1984 *	54,205,000	(1,951,000)
1983	49,798,000	(193,000)

	No. of Com. Shares ‡	Earn. per Share ‡
1987	5,125,361	$ —
1986	5,087,180	—
1985	5,075,888	—
1984 *	5,075,534	—
1983	5,067,826	—

(Loss)
* 53 weeks.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1987	$ 22,929,000	$ 4.45
1986	29,182,000	5.72
1985	31,511,000	6.21
1984	31,399,000	6.19
1983	33,343,000	6.57

Income Account *

Year ended	10/31/87	11/1/86
Net sales	$ 52,218,000	44,774,000
Other income	41,000	271,000
Total income	$ 52,259,000	$ 45,045,000

Aileen, Inc.

Cost of sales	34,771,000	30,614,000
Expenses	20,201,000	15,384,000
Interest expense	145,000	50,000
Prov. for idle plant costs	3,521,000	1,400,000
Net Loss	$ (6,379,000)	$ (2,403,000)

* Included in Costs and Expenses, Depreciation and Amortization: $1,873,000 in 1987 and $2,163,000 in 1986.

Assets

As of	10/31/87	11/1/86
Cash	$ 699,000	$ 1,185,000
Accts. receiv., net	4,532,000	6,415,000
* Inventories	13,340,000	13,001,000
Other assets	349,000	410,000
Current Assets	$ 18,890,000	21,011,000
# Fixed assets	11,681,000	12,755,000
Fixed assets held for sale	2,000,000	5,221,000
Other assets	208,000	213,000
Total Assets	$ 32,779,000	$ 39,200,000

Liabilities

Bank loan	$ 2,019,000	$ 2,171,000
Bank loan-officer	850,000	—
Long-term debt, curr.	769,000	769,000
Accts. payable	2,880,000	3,016,000
Accruals	2,563,000	2,524,000
Curr. Liabilities	$ 9,081,000	$ 8,480,000
Long-term debt	769,000	1,538,000
+ Common stock	5,150,000	5,103,200
Add. paid-in capital	11,525,000	11,446,000
Retained earnings	6,254,000	12,633,000
Total Liabilities & Shareholders' Equity	$ 32,779,000	$ 39,200,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

Sales to Inventories	3.91	3.44
Debt to Equity	0.19	0.15
Working Capital	$ 9,809,000	$ 12,531,000
Current Ratio	2.08	2.48
Shareholders' Equity	$ 22,929,000	$ 29,182,000

Albertson's, Inc.

P.O. Box 20
250 Parkcenter Boulevard
Boise, Idaho 83726
(208) 385-6200

Officers: J. A. Albertson, chairman of the exec. committee; Warren E. McCain, chairman of the board & chief exec. officer; John B. Carley, president; Kenneth R. Huff, exec. v.p.-distribution; Gary G. Michael, vice-chairman & chief financial & corporate development officer; C. Clinton Joyce, sr. v.p.-management information systems; Alec. R. Gloth, sr. v.p.-store planning; Michael F. Reuling, exec. v.p.-store development; Gerald R. Rudd, sr. v.p.-human resources; Wendell E. Hornecker, sr. v.p.-design & construction; Carl W. Pennington, sr. v.p.-corp. merchandising; Thomas R. Saldin, sr. v.p. & general counsel; W. L. Jordon, exec. v.p.-retail operations; A. Craig Olson, group v.p.-finance; David I. Connolly, v.p.-treasurer; Harvey S. Durand, v.p.-drug div.; Dennis R. Graves, v.p.-general merchandise sales; Peter W. Gustavsen, v.p.-distribution; James L. Jackson, v.p.-dairy operations; Alfred A. Kasser, v.p.-grocery sales; Kenneth R. Kramer, v.p.-service delicatessen sales; Leland M. Pollock, v.p.-meat sales; M. Jed Pritchett, Jr., v.p.-industrial relations; Richard C. Rowe, v.p.-produce & liquor sales; Patrick S. Steele, v.p.-systems; Jerry R. Timm, v.p.-controller; Steven D. Young, v.p.-personnel; Russell C. Blake, v.p.-bakery sales; John B. Iverson, v.p.-risk mgmt.; George H. Greene, v.p.-pharmacy operations; Donald D. Palmer, v.p.-computer operations; James E. Reynolds, v.p.-marketing; Don C. Meldrum, v.p.-employee development; Richard J. Navarro, v.p.-property & tax accounting; Lee M. Bock, secretary; Carol L. Wood, asst. secretary; John G. Danielson, asst. treasurer.

Directors: J. A. Albertson, Kathryn Albertson, R. V. Hansberger, B. Z. Kastler, Warren E. McCain, John B. Fery, Charles D. Lein, John B. Carley, Gary G. Michael, David Little, James E. Bruce, H. F. Magnuson, Paul I. Corddry.

Business Activities: Operates 452 stores in 17 western and southern states, broken down into 179 conventional supermarkets, 152 superstores, and 109 combination food-drug units, and 25 warehouse stores.

Transfer Agent(s):

Morgan Shareholder Service Trust Company
30 West Broadway
New York, New York 10007

The Idaho First National Bank
Boise, Idaho

Stock Exchange(s): New York, Pacific

Ticker Symbol: ABS

Number of Stores: (at fiscal year end)

1988	465	1985	434
1987	452	1984	432
1986	444		

Sales & Earnings

	Net Sales ($000's)	Net Income ($000's)
1988	$ 5,869,423	$ 125,385
1987	5,379,643	100,152
1986	5,060,265	85,110
1985	4,735,724	79,746
1984	4,279,331	70,281

	No. of Com. Shares ‡	Earn. per Share ‡
1988	66,870,408	$ 1.88
1987	66,666,846	1.50
1986	66,340,986	1.28
1985	65,903,776	1.21
1984	65,457,328	1.07

‡ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1988	$ 0.48	—	2-for-1
1987	0.42	—	—
1986	0.38	—	—
1985	0.34	—	—
1984	0.30	—	2-for-1

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	$ 665,208,000	$ 10.02
1987	594,379,000	8.90
1986	518,709,000	7.80
1985	454,419,000	6.87
1984	391,847,000	5.96

‡ Adjusted to reflect stock splits.

Income Account * ($000's)

Year ended	1/28/88	1/29/87
Net sales	$ 5,869,423	$ 5,379,643
Cost of sales	4,554,297	4,168,578
Expenses	1,098,306	1,022,420
Interest expense	10,267	9,961
Other income	(5,301)	(6,097)
Income before taxes	$ 211,854	$ 184,781
Income taxes	86,469	84,629
Net Income	$ 125,385	$ 100,152

* Included in Costs and Expenses, Depreciation and Amortization: $73,076,000 in 1988 and $66,402,000 in 1987.

Assets ($000's)

As of	1/28/88	1/29/87
Cash & short-term securities	$ 201,381	$ 245,762
Accts. & notes receiv., net	43,830	40,492
*Inventories	361,579	316,473
Prepaid expenses	9,190	7,553
Def. inc. tax benefits	18,981	15,004
Current Assets	$ 634,961	$ 625,284
#Fixed assets	725,460	609,141
Other assets	36,793	25,853
Deferred income tax benefits	4,861	4,378
Total Assets	$ 1,402,075	$ 1,264,656

Liabilities ($000's)

Long-term debt, curr.	$ 5,554	$ 5,461
Accts. payable	328,307	278,781
Accrued payroll	54,613	52,000
Income taxes	14,085	13,504
Other taxes	20,775	15,307
Oblig. under cap. leases, curr.	4,693	4,201
Other liab.	11,976	10,785
Curr. Liabilities	$ 440,003	$ 380,039
Long-term debt	69,696	75,003
Oblig. under cap. leases	113,455	112,220
Deferred invest. credit	11,149	14,381
Deferred rents payable	46,558	40,081
Deferred compensation	15,147	14,051
Other liabilities	40,859	34,502
+Common stock	66,361	33,408
Add. paid-in capital	26,800	82,266
Retained earnings	572,047	478,705
Total Liabilities & Shareholders' Equity	$ 1,402,075	$ 1,264,656

* At lower of cost (LIFO & FIFO) or market.
#. Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	3.61	3.43
%Net Income to Sales	2.14	1.86
%Net Income to Equity	18.85	16.85
Sales to Inventories	16.23	17.00
Debt to Equity	0.29	0.33
Working Capital	$ 194,958,000	$ 245,245,000
Current Ratio	1.44	1.65
Shareholders' Equity	$ 665,208,000	$ 594,379,000

Alexander's, Inc.

500 Seventh Avenue
New York, New York 10018
(212) 560-2121

Officers: Robin L. Farkas, chairman of the board & chief executive officer; Bruce R. Farkas, chmn. exec. committee, vice chmn. board & chief operating officer; Roger A. Barrer, co-president; Louis Powell, co-president; Leon Peck, sr. v.p.-control; Robert Mullen, sr. v.p. & gen. mdse. mgr.; Roger Borgeson, sr. v.p.-human resources; William H. Pavony, sr. v.p.-finance; Edwin Dreher, v.p.-loss prevention; Joan R. Carstens, v.p. & sr. merchandise mgr.; David C. Rubin, v.p. and senior merchandise manager; Robert G. Sarvak, v.p. and senior merchandise manager; Robert Greenwald, v.p. & sr. merchandise manager; Donald W. Madsen, v.p.-construction & plant; Gilbert Dick, v.p. & sr. store director; Milton Negrin, v.p. & sr. store director; Albert Doorlee, v.p. & sr. store director; Christopher Guy, v.p.-management information systems; William Bloom, v.p. & director-distribution; Steven Lent, v.p. & exec. personnel administration; Raphael Present, v.p.-director of stores; Harvey B. Wetsoe, v.p.-store planning; Thomas M. Coleman, v.p.-financial administration; Patrick C. Raccioppi, v.p.-advertising director; Brian M. Kurtz, v.p. & controller; Herbert Paul, tax counsel.

Directors: Robin L. Farkas*, chairman of the board; Bruce R. Farkas*, Roger Barrer, David A. Goldberg, Eugene M. Lang, Neil Underberg*, Martin Rosman*, Stephen Mann, Thomas R. DiBenedetto*, Arthur I. Sonnenblick, Harvey I. Freeman*, Harvey Myerson, Donald J. Trump, Ivana M. Trump, Robert S. Trump*.

* Member of the Executive Committee

Business Activities: Operates a chain of department stores in the greater New York metropolitan area.

Transfer Agent(s):

Manufacturers Hanover Trust Co.
Manufacturers' Stock Transfer Department
P.O. Box 24935
Church Street Station
New York, New York 10249

Stock Exchange(s): New York

Ticker Symbol: ALX

Number of Stores: (at fiscal year end)

1987	14	1984	15
1986	14	1983	15
1985	15		

Sales & Earnings

	Net Sales ‡	Net Income
1987	$ 522,870,000	$ 1,314,000
1986	520,129,000	4,098,000
1985	520,045,000	5,011,000
1984	517,336,000	4,009,000
1983	511,336,000	4,633,000

	No. of Com. Shares	Earn. per Share #
1987	4,975,850	$ 0.27
1986	4,530,328	0.91
1985	4,519,168	0.11
1984	4,519,168	0.89
1983	4,519,168	1.03

‡ Including leased departments.
# Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1987	$ 92,935,000	$ 18.68
1986	77,367,000	17.08
1985	72,913,000	16.13
1984	67,902,000	15.03
1983	63,893,000	14.14

Income Account *

Year ended	7/25/87	7/26/86
Net sales	$ 522,870	$ 520,129
Cost of sales	387,587	387,388
Expenses	129,370	123,448
Interest expense	3,749	5,143
Income before taxes	$ 2,164	$ 4,150
Income taxes	850	1,460
Cum. effect of change in accntg.	—	(1,408)
Net Income	$ 1,314	$ 4,098

* Included in Costs and Expenses, Depreciation and Amortization: $7,099,000 in 1987 and $7,367,000 in 1986.

Assets
(000's)

As of	7/25/87	7/26/86
Cash	$ 3,563	$ 3,733
Short-term invest.	15,000	11,000
*Inventories	54,895	52,945
Other curr. assets	8,580	10,749
Current Assets	$ 82,038	$ 78,427
# Fixed assets	70,921	67,826
Investments	35,854	36,389
Other assets	959	1,798
Total Assets	$ 189,772	$ 184,440

Liabilities
(000's)

Long-term debt, curr.	$ 3,283	$ 4,024
Accts. payable	32,369	27,764
Income taxes	250	144
Other taxes	5,091	4,288
Curr. Liabilities	$ 40,993	$ 36,220
Long-term debt	49,173	64,155
Deferred inc. taxes	6,671	6,698
+Common stock	5,174	4,728
Add. paid-in capital	23,651	9,843
Retained earnings	—65,209	63,895
Treasury stock	(1,099)	(1,099)
Total Liabilites & Shareholders' Equity	$ 189,772	$ 184,440

* At lower of cost (FIFO) or market, as determined by the retail inventory method.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	0.41	0.80
%Net Income to Sales	0.25	0.79
%Net Income to Equity	1.41	5.30
Sales to Inventories	9.52	9.82
Debt to Equity	0.56	0.88
Working Capital	$ 41,045,000	$ 42,207,000
Current Ratio	2.00	2.17
Shareholders' Equity	$ 92,935,000	$ 77,367,000

Allison's Place, Inc.

3161 East Washington Boulevard
Los Angeles, California 90023
(213) 267-0663

Officers: Marvin G. Schenker, chairman of the board, president & chief executive officer; Julius Friedman, exec. v.p. & corp. secretary; Ben Goldstein, exec. v.p.-real estate; Earl Curtis Metzner, exec. v.p..

Directors: Marvin G. Schenker, chairman; Julius Friedman, Ben Goldstein, Earl Curtis Metzner, Irving Meshwork.

Business Activities: Operates a chain of 255 off-price women's retail apparel stores, including 33 franchises, in 30 states and on three South Pacific islands, under the name Allison's Place. More than half of these stores are located in California (89) and Texas (45).

Transfer Agents:

U.S. Stock Transfer Corporation
1745 Gardena Avenue
Glendale, California 91204

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ALLS (NASDAQ)

Number of Stores:* (at fiscal year end)

1988	255	1986	161
1987	236		

* Includes franchised stores.

Sales & Earnings

	Net Sales	Net Income
1988	$ 37,086,000	$ (4,473,000)
1987	32,397,000	315,000
1986	24,628,000	627,000
1985	13,368,000	329,000

	No. of Com. Shares	Earn. per Share ‡
1988	2,787,600	$ —
1987	2,794,400	0.13
1986	1,875,000	0.33
1985	1,875,000	0.18

(Loss)
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1988	$ 2,107,000	$ 0.76
1987	6,607,000	2.36
1986	702,000	0.37
1985	(315,000)	—

(Deficiency)

Income Account*

Year ended	1/30/88	1/31/87
Revenues:		
Retail sales	$ 28,994,000	$ 22,828,000
Wholesale sales	6,983,000	7,946,000
Franchise fees	649,000	1,217,000
Franchise royalties	460,000	406,000
Total income	$ 37,086,000	$ 32,397,000
Cost of sales	23,199,000	19,151,000
Expenses	13,522,000	9,351,000
Rental Expense	4,291,000	3,168,000
Loss on reperch. of franchise stores	756,000	—
Interest expense	215,000	123,000
Income (loss) before taxes	$ (4,897,000)	$ 604,000
Income taxes (credit)	(424,000)	289,000
Net Income (Loss)	$ (4,473,000)	$ 315,000

* Included in Costs and Expenses, Depreciation and Amortization: $497,000 in 1988 and $242,000 in 1987.

Allison's Place, Inc.

Assets

As of	1/30/88	1/31/87
Cash	$ 1,193,000	$ 2,108,000
Franchise receivables	460,000	1,348,000
Refundable taxes	509,000	—
*Inventories	5,173,000	6,955,000
Adv. to employees	37,000	47,000
Other curr. assets	40,000	25,000
Current Assets	$ 7,412,000	$ 10,483,000
#Fixed assets	2,895,000	1,656,000
Leasehold interests	634,000	123,000
Other assets	378,000	377,000
Total Assets	$ 11,319,000	$ 12,639,000

Liabilities

Notes payable	$ 1,811,000	$ 1,811,000
Short-term borrowings	1,751,000	—
Accts. payable	3,437,000	2,024,000
Accruals	897,000	585,000
Accrued payroll	360,000	270,000
Deferred franchise rev.	156,000	249,000
Income taxes	—	117,000
Curr. Liabilities	$ 8,412,000	$ 5,056,000
Notes payable-affil.	743,000	743,000
Deferred inc. taxes	—	51,000
Other liabilities	57,000	182,000
+Common stock	28,000	28,000
Add. paid-in capital	5,691,000	5,718,000
Retained earnings (deficit)	(3,612,000)	861,000
Total Liabilities & Shareholders' Equity	$ 11,319,000	$ 12,639,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

% Income bef. Taxes to Revenues	—	1.86
% Net Income to Revenues	—	0.97
% Net Income to Equity	—	4.77
Debt to Equity	2.04	0.39
Working Capital	—	$ 5,427,000
Current Ratio	—	2.07
Shareholders' Equity	$ 2,107,000	$ 6,607,000

American Maize-Products Company

250 Harbor Drive
Stamford, Connecticut 06904
(203) 356-9000

Officers: William Ziegler, III, chairman of the board & chief executive officer; John C. McCormick, president & chief operating officer; Alan J. Edly, v.p.-finance; Charles A. Koons, v.p.-corporate development & planning; John R. Tweedy, v.p. & asst. to chairman; Donald E. McNicol, secretary & general counsel; Robert A. Britton, treasurer; Edward P. Norris, v.p. & controller; Cynthia C. Ziegler, Brighton-asst. secretary; Edmond G. Herve, Jr., asst. controller; Robert S. West, asst. treasurer.

Directors: William Ziegler, III*, chairman; Gene K. Beare, Charles B. Cook, Jr.*, Edward Gelsthorpe, Les C. Liabo*, John C. McCormick*, Donald E. McNicol*, Alan J. Edly, William C. Steinkraus, John C. Wrightson.

* Member of the Executive Committee

Business Activities: The Company's Building Materials Division sells building materials and home improvement items to the do-it-yourself customer and the contractor through 34 Lloyd Home & Building Centers located in New York, Connecticut and Pennsylvania. Also produces corn syrups and other corn products, smokeless tobacco and cigars.

Divisions:

Corn Processing Division
Building Materials Division
Tobacco Division

Subsidiaries:

American Fructose Corporation (57.6% owned)
Jno. H. Swisher & Son, Inc.
Martin Brothers International, Inc.
Corral-Wodiska y Ca.
Lloyd Home & Building Centers, Inc.
Helme Tobacco Company

Transfer Agent(s):

The Bank of New York
New York, New York

Stock Exchange(s): American

Ticker Symbol: AZE

Number of Stores: (at fiscal year end)

1987	34	1984	39
1986	34	1983	39
1985	36		

Sales & Earnings

	Net Sales +	Net Income ‡
1987	$ 506,754,000	$ 12,661,000
1986	509,544,000	9,732,000
1985	433,168,000	(4,668,000)
1984	414,288,000	10,002,000
1983	357,832,000	3,790,000

	No. of Com. Shares	Earn. per Share #‡
1987	6,598,283	$ 2.10
1986	5,593,669	1.82
1985	5,270,412	—
1984	5,253,541	1.92
1983	5,216,955	0.73

(Loss)
+ Of continuing operations only.
‡ Including extraordinary losses of $411,000 ($0.07 per share) in 1987 and $499,000 ($0.09 per share) in 1986.
# Based on the average number of shares outstanding during the year.

Revenues by Line of Business

	1987	1986
Corn processings	$ 261,300,000	$ 294,420,000
Branded consumer prods.	135,300,000	109,836,000
Building materials	110,200,000	105,288,000
Total	$ 506,800,000	$ 509,544,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	$ 0.52	—	—
1986	0.52	—	—
1985	0.52	—	—
1984	0.52	—	—
1983	0.52	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1987	$ 153,528,000	$ 23.27
1986	126,343,000	22.59
1985	113,733,000	21.58
1984	120,894,000	23.01
1983	112,915,000	21.64

Income Account* (000's)

Year ended Dec. 31	1987	1986
Net sales	$ 506,754	$ 509,544
Cost of sales	367,931	384,471
Expenses	90,945	80,294
Gain on exch. of deben.	(1,816)	—
Interest expense	15,854	16,369
Interest income	(1,471)	(323)
Other expense	2,835	1,668
Inc bef. taxes	$ 32,476	$ 27,065
Income taxes	14,270	11,382
Minority interest	5,134	5,452
Net Income	$ 13,072	$ 10,231
Extraord. loss	(411)	(499)
Net Income & extraord. loss	$ 12,661	$ 9,732

* Included in Costs and Expenses, Depreciation and Amortization: $20,135,000 in 1987 and $18,352,000 in 1986.

Assets (000's)

As of Dec. 31	1987	1986
Cash	$ 7,341	$ 2,384
Short-term invest.	17,441	2,168
Accts. receiv., net	43,751	38,296
Tax refund receiv.	135	2,310
*Inventories	89,024	80,320
Other curr. assets	8,991	9,270
Current Assets	$ 166,683	$ 134,748
#Fixed assets	206,077	207,396
Other assets	13,034	15,003
Intangibles	15,888	14,853
Total Assets	$ 401,682	$ 372,000

Liabilities (000's)

Short-term debt	$ 15,000	$ —
Long-term debt, curr.	2,361	2,615
Accts. payable	20,867	17,339
Accrued interest	2,779	3,107
Other accruals	7,356	3,168
Accrued payroll	6,792	12,710
Income taxes	4,191	4,688
Curr. Liabilities	$ 59,346	$ 43,627
Long-term debt	118,476	148,531
Deferred inc. taxes	32,403	21,909
Other liab.	1,289	1,473
Minority interest	36,640	30,117
+Common stock	5,447	4,623
Add. paid-in capital	39,849	22,506
Retained earnings	110,277	100,801
Treasury stock	(2,045)	(1,587)
Total Liabilities & Shareholders' Equity	$ 401,682	$ 372,000

* At lower of cost (FIFO) or market; corn & tobacco at LIFO.
# Less accumulated depreciation.
+ $0.80 par value.

Statistical Summary

%Income bef. Taxes to Sales	6.41	5.31
%Net Income to Sales	2.58	1.91
%Net Income to Equity	8.51	7.70
Sales to Inventories	5.69	6.34
Debt to Equity	0.88	1.20
Working Capital	$ 107,337,000	$ 91,121,000
Current Ratio	2.81	3.09
Shareholders' Equity	$ 153,528,000	$ 126,343,000

American Stores Company

19100 Von Karman Avenue
Suite 500
Irvine, California 92715
(714) 476-4400

Mailing Address:
P.O. Box 9649
Newport Beach, California 92658-9649

Officers: L. S. Skaggs, chairman of the board & president; Jonathan L. Scott, vice chairman & exec. v.p.; Victor L. Lund, exec. v.p.; Kent T. Anderson, v.p., general counsel & secretary; Michael T. Miller, sr. v.p., administration & secretary; John L. Benner, sr. v.p.-finance & treasurer; Teresa Beck, v.p., controller & asst. secretary; J. Michael Holt, v.p.-investor relations.

Directors: Leon G. Harmon*, L. Tom Perry*, L. S. Skaggs*, Aline W. Skaggs, Earl P. Staten*, I. J. Wagner, Barbara S. Preinkel, Louis H. Callister, Jonathan L. Scott*.

* Member of the Executive Committee

Business Activities: Operates self-service supermarkets under the names of Acme and Super Saver in New York, Pennsylvania, New Jersey, Delaware, Maryland, Virginia, and West Virginia; combination food and drug stores under the names Jewel-Osco, and Skaggs Alpha Beta and Buttrey; and Osco Drug stores in 29 states, as well as Sav-on Drug stores in California.

Divisions and Subsidiaries:

American Superstores, Inc.
One Pike Creek Center
New Linden Mill Road, P. O. Box 5670
Wilmington, Delaware 19808-0670
(302) 998-2102

Acme Markets, Inc.
124 North 15th Street
Philadelphia, Pennsylvania 19101
(215) 568-3000

Alpha Beta Stores, Inc.
1900 Von Karman Avenue
Suite 500
Irvine, California 92715
(714) 476-4400

Alpha Beta Company
777 South Harbor Boulevard
La Habra, California 90631

Jewel Food Stores
1955 West North Avenue
Melrose Park, Illinois 60660
(312) 531-6000

Osco Drug, Inc.
1818 Swift Avenue
Oak Brook, Illinois 60521
(312) 572-5000

Skaggs Alpha Beta, Inc.
1100 Executive Drive West
Suite 100
Richardson, Texas 75081
(214) 238-7231

Buttrey Food Stores
601 6th Street S.W.
Great Falls, Montana 59403
(406) 761-3401

Skaggs Sav-on, Inc.
1500 South Anaheim Blvd.
Anaheim, California 92805
(714) 778-2300

Skaggs Companies, Inc.
1500 South Anaheim Boulevard
Anaheim, California 92805
(714) 758-5229

Skaggs Telecommunications Service
5181 Amelia Earhart Drive
Salt Lake City, Utah 84116
(801) 537-1427

Star Market Company
625 Mt. Auburn Street
Cambridge, Massachusetts 02138
(617) 661-2200

Transfer Agent(s):

Morgan Shareholder Services Trust Company
30 West Broadway
New York, New York 10007

Stock Exchange(s): New York, Philadelphia, Pacific, Midwest

Ticker Symbol: ASC

Number of Stores: (at fiscal year end)

1987	1,460	1984	N.A.
1986	1,498	1983	1,027
1985	1,493		

N. A. - Not Available.

Sales & Earnings

	Net Sales ('000's)	Net Income ('000's)
1988	$ 14,272,395	$ 154,310
1987	14,021,484	144,528
1986	13,889,528	154,470
1985*	12,118,793	185,525
1984	7,983,677	117,902

	No. of Com. Shares #	Earn. per Share #
1988	30,830,000	$ 4.19
1987	31,456,000	3.79
1986	31,464,000	4.11
1985*	30,076,000	4.01
1984	29,556,000	3.61

* 53 weeks.
# Based on the average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend #	Stock Dividend	Stock Split
1988	$ 0.84	—	—
1987	0.84	—	—
1986	0.69	—	—
1985	0.64	—	—
1984	0.44	—	3-for-1

Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share +
1988	$ 885,744,000 ‡	$ 28.73
1987	838,093,000 ‡	26.64
1986	767,811,000 ‡	24.40
1985	676,752,000 ‡	22.50
1984	451,694,000	15.28

‡ After allowing for preferred stock at liquidation value.
+ Based on the average number of shares outstanding adjusted to reflect stock split.

Income Account *
('000's)

Year ended	1/30/88	1/31/87
Net sales	$ 14,272,395	$ 14,021,484
Cost of sales	10,737,505	10,578,985
Expenses	3,148,222	3,020,697
Interest expense	110,906	114,179
Interest income	(2,029)	(1,599)
Other expense (income)	(13,360)	3,097
Income before taxes	$ 291,151	$ 306,125
Income taxes	136,841	161,597
Net Income	$ 154,310	$ 144,528

* Included in Costs and Expenses, Depreciation and Amortization: $198,425 in 1988 and $193,803 in 1987.

Assets
('000's)

As of	1/30/88	1/31/87
Cash & temp. cash invest.	$ 30,698	$ 56,124
Receiv., net	154,748	152,550
*Inventories	1,372,883	1,358,660
Prepaid expenses	105,771	71,138
Current Assets	$ 1,664,100	$ 1,638,472
#Fixed assets	1,651,549	1,600,370
Prop. under cap. lease	100,956	116,028
Other assets	233,592	235,304
Total Assets	$ 3,650,197	$ 3,590,174

Liabilities
('000's)

Long-term debt, curr.	$ 14,245	$ 13,875
Cap. lease oblig. curr.	11,317	11,174
Accounts payable	696,822	679,692
Accruals	315,859	296,503
Accrued wages pay.	252,160	230,757
Income taxes	42,979	60,523
Curr. Liabilities	$ 1,333,382	$ 1,312,524
Long-term debt	890,645	873,479
Cap. lease oblig.	133,779	149,585
Other liabilities	119,024	100,960
Deferred inc. taxes	31,836	59,105
+Preferred stock		
Series A	198,098	198,834
Series B	57,689	57,594
++Common stock	31,950	31,927
Add. paid-in capital	151,238	150,598
Retained earnings	807,403	704,247
Treasury stock	(104,847)	(48,679)
Total Liabilities & Shareholders' Equity	$ 3,650,197	$ 3,590,174

* At lower of cost (LIFO, FIFO or average) or market.
# Less accumulated depreciation and amortization.
+ $1 par value. Series A, $4.375 cumulative convertible exchangeable; Series B, $6.80 cumulative exchangeable.
++ $1 par value.

Statistical Summary

%Income before Taxes to Sales	2.04	2.18
%net Income to Sales	1.08	1.03
%Net Income to Equity	17.42	17.24
Sales to Inventories	10.40	10.32
Debt to Equity	1.19	1.25
Working Capital	$ 380,718,000	$ 325,948,000
Current Ratio	1.25	1.25
Shareholders' Equity	$ 885,744,000	$ 838,093,000

Ames Department Stores, Inc.

2418 Main Street
Rocky Hill, Connecticut 06067
(203) 563-8234

Officers: Peter B. Hollis, President & chief executive officer; Leslie Dietzman, exec. v.p.-merchandising; James McKitrick, exec. v.p. & pres. & chief oper. officer-O.C. Murphy Company; Duane R. Wolter, exec. v.p. & chief financial officer; Earl M. Spector, exec. v.p.-real estate, legal & secretary; John P. Kearney, sr. v.p.-operations; Paul W. Reese, Jr., sr. v.p.-traffic & distribution; Gerald Glassman, v.p.-admin., asst. treasurer & asst. secretary; John R. Barbato, v.p.-real estate; Ronald Stacy, v.p.-construction; Vin-

Ames Department Stores, Inc.

cent E. Osborne, v.p.-market research; James J. Aglio, v.p. & general merchandise mgr.; Alan S. Close, v.p. & general merchandise mgr.; Charles Rilling, v.p. & general merchandise mgr.; Stuart H. Kessler, v.p. & general merchandise mgr.; Andrew Cohen, v.p. & general merchandise mgr.; Joseph Calogino, v.p.-store planning; Richard H. Hovik, v.p.; Joseph Matteis, v.p.-data processing; J. Steven Yeager, v.p.-loss prevention; Robert A. Tremblay, v.p.-merchandise control; Mark von Mayrhauser, v.p. & treasurer; Robert S. Jacobs, v.p.-personnel; John J. Miller, v.p.-import; Kerrie R. Flanagan, v.p.-planning & analysis; John Cook, v.p.-operations; Michelle Garvey, v.p.-mgmt. info. services; Dorene Robotti, v.p.-employee relations; Jeffrey W. Dentz, v.p.-human resources; Darrell Heun, v.p.-advertising & sales promotion; Joseph Neal, v.p.-distribution; Stuart J. Shapiro, v.p. & asst. to the chief exec. officer; John J. Sullivan, v.p. & controller.

Directors: Herbert Gilman, Michael D. Leavitt, James A. Harmon*, Melvin M. Rosenblatt*, John Guinee, Norman B. Asher*, Peter B. Hollis*, Earl M. Spector*, Norman Ricken.

* Member of the Executive Committee

Business Activities: Operates chains of self-service discount department stores and variety stores under the Ames, Murphy's Mart, and G.C. Murphy names in 20 states, primarily in the East. Also engaged in wholesale distribution of sporting goods.

Divisions and Subsidiaries:

Mathews and Boucher, Inc.
Rochester, New York
Wholesaler of sporting goods.

G. C. Murphy Company
McKeesport, Pennsylvania
Operates 148 variety stores in 15 states.

Transfer Agent(s):

The Connecticut Bank and Trust Company
Stock Transfer Department
One Constitution Plaza
Hartford, Connecticut

Stock Exchange(s): New York, Pacific

Ticker Symbol: ADD

Number of Stores: (at fiscal year end)

1988	488	1985	180
1987	463	1984	168
1986	450		

Sales & Earnings

	Net Sales	Net Income
1988	$ 2,027,179,000	$ 34,157,000
1987*	1,809,941,000	27,129,000
1986	1,449,016,000	40,367,000
1985	783,360,000	22,516,000
1984	617,256,000	19,886,000

	No. of Com. Shares ‡	Earn. per Share ‡
1988	37,613,000	$ 0.91
1987*	37,407,000	0.73
1986	34,298,000	1.19
1985	27,167,000	1.00
1984	25,952,000	0.77

* 53 weeks.
‡ Based on the weighted average number of shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend+	Stock Dividend	Stock Split
1988	$ 0.10	—	—
1987	0.10	—	—
1986	0.10	—	2-for-1
1985	0.10	—	2-for-1
1984	0.08	—	3-for-2

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share +
1988	$ 434,880,000	$ 11.30
1987	394,205,000	10.54
1986	367,823,000	10.72
1985	124,631,000	4.39
1984	98,829,000	3.81

+ Adjusted to reflect stock splits.

Income Account (000's)

Year ended	1/30/88	1/31/87 (53 weeks)
Net sales	$ 2,027,179	$ 1,809,941
Other income	29,745	26,221
Total income	$ 2,056,924	$ 1,836,162
Cost of sales	1,467,314	1,299,464
Expenses	484,509	434,041
Depreciation & amortization	30,798	30,234
Interest expense	16,673	18,166
Income before taxes	$ 57,630	$ 54,257
Income taxes	24,637	27,128
Cum. effect of accntg. change	(1,164)	—
Net income	$ 34,157	$ 27,129

Assets (000's)

As of	1/30/88	1/31/87
Cash	$ 7,174	$ 10,687
Cert. of dep. & oblig.	16,124	22,396
Receiv., net	17,512	14,213
*Inventories	470,549	388,585
Refundable income taxes	—	8,070
Deferred income taxes	1,784	1,335
Prepaid expenses	26,305	26,857
Current Assets	$ 539,448	$ 472,143
#Fixed assets	269,970	233,651
Other assets & defer. charges	7,745	8,335
Leasehold	29,537	33,569
Total Assets	$ 846,700	$ 747,698

Liabilities

Long-term debt, curr.	$ 15,079	$ 18,339
Accts. payable	200,083	130,172
Accruals	44,158	38,447
Taxes payable	910	—
Dividends payable	944	937
Other liabilities	1,152	1,855
Current Liabilities	$ 262,326	$ 189,750
Deferred income taxes	25,117	17,554
Long-term debt	45,591	72,783
Cap. lease oblig.	77,522	65,220
Other liabilities	5,325	4,718
Exc. of acq. assets over value	5,939	3,468
+Common stock	18,922	18,874
Add. paid-in capital	221,348	219,291
Retained earnings	188,190	157,796
Treasury stock	(3,580)	(1,756)
Total Liabilities & Shareholders' Equity	$ 846,700	$ 747,698

* At lower of cost (LIFO) or market.
# Less accumulated depreciation.
+ $0.50 per value.

Financial Summary

%Income bef. Taxes to Sales	2.84	3.00
%Net Income to Sales	1.68	1.50
%Net Income to Equity	8.04	6.88
Sales to Inventories	4.31	4.66
Debt to Equity	0.33	0.40
Working Capital	$ 277,122,000	$ 282,393,000
Current Ratio	2.06	2.49
Shareholders' Equity	$ 434,880,000	$ 394,205,000

Amfac, Inc.

44 Montgomery Street
P.O. Box 7813
San Francisco, California 94120
(415) 772-3506

Officers: Henry A. Walker, Jr., chairman of the board; Chauncey E. Schmidt, vice chairman; Richard L. Griffith, president & chief exec. officer; Ronald H. Dykehouse, exec. v.p. & chairman-Amfac Distribution Corp. and Amfac Foods, Inc.; John E. Gonsoa, exec. v.p.; Robert H. Ozak, exec. v.p. & chairman-Amfac Hawaii, Inc.; Richard A. Naille, II, exec. v.p. & chairman-Amfac Resorts, Inc.; Donald C. Onasch, exec. v.p. & chairman-Amfac Stores, inc.; Thomas L. Brejz, sr. v.p. & chief financial officer; Chester A. Richardson, sr. v.p. & gen. counsel; Keith V. Mabee, sr. v.p.-corp. communications; Richard D. Baum, sr. v.p.-administration.

Directors: Kenneth F. Brown, Richard L. Griffith, Mary Anne Normandin, Marion K. Pfaudorf, William F. Quinn, Patricia Saiki, Chauncey E. Schmidt, H. A. Walker, Jr..

Business Activities: Retail operations include the Hawaiian-based Liberty House department stores and resort shops. Liberty House department stores feature merchandise in the medium to higher price ranges. Liberty House resort shops emphasize Polynesian and resort apparel. Some stores have limited men's, swimsuit and children's wear departments. The company also operates resorts, hotels, restaurants, travel and tour agencies, property development companies, sugar companies, wholesale nurseries, food processing companies, and distributes pharmaceutical and health care products, electrical and mechanical supplies, building materials, machinery and equipment.

Divisions and Subsidiaries:

Retail Group

Liberty House
Honolulu, Hawaii
Department, resort and specialty stores in Hawaii.

Food Group

Amfac Foods, Inc.
Portland, Oregon

Amfac Amycel
Producer of mushroom spawn.

Lamb-Weston, Inc.
Portland, Oregon
Processor of frozen potato and fruit products in Idaho, Oregon, and Washington.

Monterey Mushrooms, Inc.
Santa Cruz, California
Grower and processor of mushrooms.

Gourmet Brands
Boardman, Oregon
Potato processor and marketer.

Hotel and Resorts Group

Amfac Resorts, Inc.
Grand Canyon, Arizona
Operates 12 hotels and resorts in the western continental U.S. and Hawaii.

Distribution Group

Amfac Distribution Corporation
Burlingame, California

Amfac Health Care
Folsom, California
Pharmaceutical distribution branches.

Amfac Electric Supply Co.
Folsom, California
Electrical supplies distribution branches.

Hawaii Group

Amfac Hawaii, Inc.
Honolulu, Hawaii

Amfac Sugar and Agribusiness, Inc.
Honolulu, Hawaii
Production of agricultural products.

Amfac Properties
Honolulu, Hawaii
Planning, development, and management of the company's lands in Hawaii which are not used by other operating groups.

Amfac Tropical Products
Kauai, Hawaii
Production of tropical fruit.

Oahu Waste Energy Recovery, Inc.
Development and operation of a municipal waste cogeneration facility on Oahu.

Amfac Property Investment Corp.
Honolulu, Hawaii
Property investment.

Transfer Agent(s):

Harris Trust Company of California

Bishop Trust Co., Ltd.
140 South King Street
Honolulu, Hawaii 96813

Stock Exchange(s): New York, Pacific, London.

Ticker Symbol: AMA

Number of Stores: (at fiscal year end)

1987	39	1984	88
1986	39	1983	83
1985	85		

Sales & Earnings

	Revenues + (000's)	Net Income ‡ (000's)
1987	$ 2,195,062	$ 5,021
1986	1,962,204	(66,599)
1985	1,921,975	17,912
1984	1,854,509	(14,149)
1983	1,781,473	(68,026)

	No. of Com. Shares	Earn. per Share # ‡
1987	17,124,039	$ 0.04
1986	16,679,635	—
1985	16,636,622	1.09
1984	16,633,327	—
1983	16,619,474	—

(Loss)
+ Of continuing operations only.
‡ Including extraordinary gain of $4,279,000 ($0.29 per share) in 1983.
# Based on the average number of common shares and common share equivalents outstanding.

Revenues By Line of Business

	1987 (000's)	%	1986 (000's)	%
Food	$ 516,533	24 %	$ 425,740	22 %
Distribution	1,123,037	51	991,850	51
Retail	283,439	13	254,907	13
Hawaii:				
Agriculture	122,648	5	107,230	5
Property	14,969	1	28,261	1
Resorts	133,868	6	153,700	8
Corporate	(441)	—	516	—
Total	$2,195,062	100 %	$1,962,204	100 %

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	$ —	—	—
1986	—	—	—
1985	—	—	—
1984	1.44	—	—

Common Stock Equity

	Total Equity ‡	Equity Per Share
1987	$ 346,220,000	$ 21.22
1986	338,550,000	21.33
1985	407,998,000	25.78
1984	407,924,000	24.68
1983	427,790,000	27.03

‡ After allowing for preferred stock at involuntary liquidation values.

Income Account
(000's)

Year ended Dec. 31	1987	1986
Revenues	$ 2,195,062	$ 1,962,204
Cost of sales	1,695,988	1,452,748
Expenses	393,590	434,660
Depreciation & amortization	43,088	41,949
Interest expenses	36,519	48,534
Inc. (loss) bef. taxes	$ 25,877	$ (13,687)
Income taxes (credit)	11,256	(2,245)
Income (loss) - cont. oper	$ 14,621	$ (13,442)
Loss-discont. oper.	(9,600)	(53,157)
Net Income (Loss)	$ 5,021	$ (66,599)

Assets
(000's)

As of Dec. 31	1987	1986
Cash	$ 18,805	$ 11,387
Receiv., net	227,558	275,216
*Inventories	355,840	341,904
Prepaid expenses	32,041	26,419
Current Assets	$ 634,044	$ 654,926
Investments	70,400	73 080
# Fixed assets	335,890	372,167
Long-term notes receiv.	28,033	49,508
Other assets	9,941	10,940
Total Assets	$ 1,078,308	$ 1,160,631

Liabilities
(000's)

Long-term debt, curr.	$ 30,300	$ 35,305
Accts. payable & accruals	318,315	332,647
Income taxes	1,100	1,108
Curr. Liabilities	$ 349,715	$ 369,060
Long-term debt	253,252	317,876
Deferred credits	21,217	35,465
Deferred inc. taxes	42,531	34,192
+Preferred stock:		
$2.50	341	343
Series B $1	8,877	8,913
$1.875	47,598	47,469
++Common Stock	154,264	151,368
Retained earnings	234,898	220,310
Eq. in Amfac stock held by nonconsol. partnership	(34,385)	(34,385)
Total Liabilities & Shareholders' Equity	$ 1,078,308	$ 1,160,631

* At lower of cost or market. Food groups at LIFO, retail stores by the retail method, others at average.
# Less accumulated depreciation and amortization.
+ No par value, cumulative convertible.
++ No par value.

Statistical Summary

%Net Income to Equity	1.22	—
Debt to Equity	0.69	0.87
Working Capital	$ 284,329,000	$ 285,866,000
Current Ratio	1.81	1.77
Shareholders' Equity	$ 411,593,000	$ 404,038,000

Angelica Corporation

10176 Corporate Square Drive
Suite 100
St. Louis, Missouri 63132
(314) 991-4150

Officers: Leslie F. Loewe, chairman of the board & chief exec. officer; Lawrence J. Young, president & chief operating officer; Allyn J. Aach, v.p.; Stephen L. Abelov, v.p.; James E. Stefoff, exec. v.p., pres.-Rental Group; Theodore M. Armstrong, sr. v.p.-finance & administration & chief financial officer; Donald C. Wickard, v.p., president-Retail Stores; Robert M. Baker, treasurer; Linden Mann, controller asst. secretary; Charles D. Malloy, controller; John S. Aleman, v.p.-human resources; Jill Witar, secretary, house counsel.

Directors: Leslie F. Loewe, chairman; Willard L. Levy, Lee M. Liberman, Richard A. Meyer, Elliot H. Stein, H. Edwin Trusheim, Robert C. West, William P. Stiritz, Earle H. Harbison, Jr., Lawrence J. Young.

Business Activities: Operates a national chain of retail uniform and shoe stores; manufactures and markets uniforms and career apparel for institutions and businesses; provides rental and laundry services of textiles and garments primarily to health care institutions.

Apparel Trademarks and/or Brand Names: Apples for Life, Anticipating Life, Just Right.

Divisions and Subsidiaries:

Manufacturing and Marketing

Angelica Uniform Group Inc.
700 Rosedale Avenue
St. Louis, Missouri 63112
(314) 889-1111
Designs, manufactures, warehouses and markets a line of washable and tailored non-washable vocational attire.

Angelica-Whitewear Ltd.
5350 Fulham Street
Montreal, Quebec H2G 2H4 Canada
(514) 271-4671
Designs, manufactures, and markets vocational apparels.

Angelica Uniform of Canada, Ltd.
35 Suntract Road
Weston, Ontario M9N 2V8 Canada
(416) 247-7482
Designs, manufactures and makes vocational apparel.

Retail Sales

Life Uniform & Shoe Shops
700 Rosedale Avenue
St. Louis, Missouri 63112
(314) 889-1111

Operates a nationwide chain of specialty stores selling a full line of uniforms, shoes and related accessories to individuals at retail.

Rental Services

Angelica Healthcare Services Group, Inc.
10176 Corporate Square Drive
Suite 150
St. Louis, Missouri 63132
(314) 991-2931

Angelica Healthcare Services Group, Inc.
Western Divisional Office
300 Ranger Street
Brea, California 92621
(714) 579-0909

Provides delivery and cleaning on a rental basis of surgical specialty textiles, garments and hospital linens.

Angelica Healthcare Services Group, Inc.
Eastern Divisional Office
10176 Corporate Square Drive
St. Louis, Missouri 63132
(314) 991-2931

Provides rental and laundry services of hospital linens and uniforms to hospitals; also provides linen usage cost control system.

Transfer Agent(s):

Centerre Trust Company
Stock Transfer Department
510 Locust Street
St. Louis, Missouri 63101

Stock Exchange(s): New York

Ticker Symbol: AGL

Number of Stores: (at fiscal year end)

1988	187	1985	129
1987	203	1984	143
1986	210		

Sales & Earnings

	Net Sales +	Net Income
1988	$ 306,669,000	$ 17,235,000
1987	291,704,000	16,701,000
1986	269,099,000	17,159,000
1985	246,404,000	16,328,000
1984	220,318,000	15,154,000

	No. of Com. Shares	Earn. per Share ‡
1988	9,342,271	$ 1.85
1987	9,308,061	1.79
1986	9,291,832	1.84
1985	9,268,413	1.76
1984	9,260,730	1.63

+ Includes rental service revenues.
‡ Based on the average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1988	1987
Manufacturing & marketing	$ 144,993,000	$ 131,897,000
Rental serv.	143,255,000	137,168,000
Retail sales	31,579,000	32,801,000
Intersegment	(13,058,000)	(10,162,000)
Total	$ 306,669,000	$ 291,704,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	$ 0.70	—	—
1987	0.61	—	—
1986	0.59	—	—
1985	0.52	—	—
1984	0.48	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1988	$ 138,406,000	$ 14.95
1987	128,217,000 ‡	13.78
1986	116,623,000 ‡	12.56
1985	104,990,000 ‡	11.34
1984	93,713,000 ‡	10.13

‡ After allowing for preferred stock and Class A preferred stock at liquidation value of $100 per share.

Income Account *

Year ended Jan. 31	1988	1987
Net sales	$ 163,414,000	$ 154,536,000
Service revenues	143,255,000	137,168,000
Total revenues	$ 306,669,000	$ 291,704,000
Cost of sales	106,520,000	$ 98,537,000
Cost of services	108,501,000	104,211,000
Expenses	59,895,000	56,547,000
Other expense	(1,517,000)	353,000
Income before taxes	$ 30,236,000	$ 32,056,000
Income taxes	13,001,000	15,355,000
Net Income	$ 17,235,000	$ 16,701,000

* Included in Costs and Expenses, Depreciation: $7,617,000 in 1988 and $7,104,000 in 1987.

Assets

As of	1988	1987
Cash	$ 3,242,000	$ 5,345,000
Receivables	48,918,000	45,826,000
*Inventories	63,348,000	56,977,000
Prepaid expenses	1,760,000	3,220,000
Linens in service	23,311,000	20,521,000
Current Assets	$ 140,579,000	$ 131,889,000
#Fixed assets	62,707,000	52,989,000
Other assets	13,155,000	10,080,000
Total Assets	$ 216,441,000	$ 194,958,000

Liabilities

Short-term debt	$ 9,100,000	$ —
Long-term debt & cap. lease oblig., curr.	2,901,000	3,069,000
Accts. payable	15,773,000	11,058,000
Accrued payroll	5,481,000	5,178,000
Accruals	4,789,000	3,424,000
Income taxes	943,000	2,195,000
Deferred inc. taxes	6,353,000	5,846,000
Curr. Liabilities	$ 45,340,000	$ 30,770,000
Long-term debt & cap. lease oblig.	21,588,000	25,236,000
Deferred compensation	4,661,000	3,942,000
Deferred inc. taxes	6,092,000	6,439,000
+Preferred stock	—	286,000
++Class A Preferred stock	—	1,000
+++Common stock	9,342,000	9,308,000
Add. paid-in capital	1,172,000	710,000
Retained earnings	129,600,000	118,895,000
Translation adjust.	(219,000)	(629,000)
Treasury stock	(1,135,000)	—
Total Liabilities & Shareholders' Equity	$ 216,441,000	$ 194,958,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $100 par value, 5% cumulative.
++ $1 stated value, convertible.
+++ $1 par value.

Statistical Summary

%Income bef. Taxes to Revenues	9.86	10.99
%Net Income to Revenues	5.62	5.73
%Net Income to Equity	12.42	12.99
Sales to Inventories	2.58	2.71
Debt to Equity	0.24	0.22
Working Capital	$ 171,101,000	$ 101,119,000
Current Ratio	4.77	4.29
Shareholders' Equity	$ 138,760,000	$ 127,471,000

Antonovich, Inc.

333 Seventh Avenue
New York, New York 10001
(212) 244-3161

Officers: Daniel Antonovich, chairman of the board & chief executive officer; David Antonovich, president & chief operating officer; Melvin Goldstein, executive v.p., chief financial officer & secretary; Gordon Ball, v.p.-corporate development; Jakob Scheer, v.p. & general merchandise manager; Barbara Mazur, treasurer & asst. secretary.

Directors: Daniel Antonovich, chairman of the board; David Antonovich, Melvin Goldstein, Jack Rubin, Gilbert Davida.

Business Activities: Operates eight retail stores in the New York City metropolitan areas which sell quality fur apparel, primarily women's coats and jackets.

Transfer Agent(s):

Continental Stock Transfer & Trust Company
72 Reade Street
New York, New York 10007

Stock Exchange(s): Over-the-Counter

Ticker Symbol: FURSA (NASDAQ)

Number of Stores: (at fiscal year end)

1987 8

NOTE: Effective March 31, 1987, and pursuant to an agreement and plan of merger, Antonovich, Inc. emerged as the surviving corporation of its merger with Fur Palace Corporation and Fur Palace II Corp. into such corporation.

Sales & Earnings

	Net Sales	Net Income
12/31/86*	$ 19,923,000	$ 831,000
3/31/86	23,047,000	851,000
3/21/85	17,987,000	263,000
3/31/84	13,869,000	456,000
3/31/83	9,633,000	248,000

	No. of Com. Shares ‡	Earn. per Share + ‡
12/31/86*	2,400,000	$ 0.35
3/31/86	2,400,000	0.30

* 9 months; unaudited.
+ Pro forma information reflects the results of operations of the Company as if the reorganization of the Company effected in March 1986 had occurred on April 1, 1985.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
12/31/86	—	—	9-for-4

Common Stock Equity

	Total Equity	Equity Per Share ‡
12/31/86	$ 1,928,019	$ 0.80
3/31/86	1,096,356	0.46
3/31/85	297,156	—
3/31/84	51,182	—
3/31/83	(328,545)	—

(Deficiency)
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *

Year ended	12/31/86+ (9 months)	3/31/86
Net sales	$ 18,857,123	$ 22,448,951
Other income	1,066,066	598,074
Total income	$ 19,923,189	$ 23,047,025
Cost of sales	9,335,029	11,827,045
Expenses	8,356,777	9,053,284
Interest expense	568,080	530,996
Income before taxes	$ 1,663,303	$ 1,635,700
Income taxes	831,650	785,000
Net Income	$ 831,653	$ 850,700

* Included in Costs and Expenses, Depreciation and Amortization: $246,819 in the period ending 12/31/86 and $199,583 in the year ending 3/31/86.
+ Unaudited.

Assets

As of	12/31/86†	3/31/86
Cash & cash equiv.	$ 3,270,528	$ 1,203,800
Accts. receiv., net	2,484,611	1,000,483
*Inventories	13,329,641	7,222,262
Officers' loans receiv.	256,078	—
Prepaid expenses	878,348	302,731
Current Assets	$ 20,219,206	$ 9,729,276
#Fixed assets	2,832,984	1,003,990
Other assets	863,626	129,408
Total Assets	$ 23,915,816	$ 10,862,674

Liabilities

Cash overdraft	$ —	$ 473,502
Notes payable	14,168,597	5,369,340
Long-term debt, curr.	30,000	—
Cap. lease oblig. curr.	173,219	168,974
Accts. payable	2,065,881	732,148
Cust. deposits	288,458	279,858
Accruals	3,000,554	1,046,000
Income taxes	1,566,397	1,221,105
Curr. Liabilities	$ 21,293,106	$ 9,311,527
Long-term debt	370,000	—
Cap lease oblig.	324,691	454,791
+Common stock	23,940	90
Add. paid-in capital	522,710	302,810
Notes receivable	(243,740)	—
Retained earnings	1,625,109	793,456
Total Liabilities & Shareholders' Equity	$ 23,915,816	$ 10,862,674

† Unaudited.
* At lower of cost (specific ident. number).
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	8.82	7.29
%Net Income to Sales	4.41	3.79
%Net Income to Equity	43.14	77.59
Sales to Inventories	1.41	3.11
Debt to Equity	7.81	5.47
Working Capital	—	$ 417,749
Current Ratio	—	1.04
Shareholders' Equity	$ 1,928,019	$ 1,096,356

Arden Group, Inc.

2020 South Central Avenue
Compton, California 90220
(213) 638-2842

Officers: Curtis H. Palmer, chairman of the board; Bernard Briskin, president & chief executive officer; Milton H. Barker, v.p.; E. T. Klinger, v.p.-finance & administration & chief financial officer; Brian D. Donnan, controller & asst. secretary; Derek D'Sa, treasurer; Anne Pearson, asst. secretary.

Directors: Bernard Briskin*, Chester I. Lappen*, Frederick A. Schnell*, Anson I. Dreiseu, Curtis H. Palmer*, Stuart A. Krieger, Daniel Lembark, Ben Winters.

* Member of the Executive Committee

Business Activities: Operates supermarkets in the western U.S. under the names Mayfair and Gelson's. Also distributes communications equipment, and chemicals and equipment for the maintenance of swimming pools.

Divisions and Subsidiaries:

Mayfair Markets
Operates markets in California and Arizona under the following names: Mayfair, El Rancho, Food Giant.

Gelson's Markets
A chain consisting of seven supermarkets located in California.

Telautograph Corporation
Primarily engaged in the distribution and servicing of communications equipment and supplies which are used for the instantaneous transmission of messages to remote locations. Its GPS Division distributes chemicals and equipment for the maintenance of swimming pools.

Transfer Agent(s):

City National Bank
Beverly Hills, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ARDN (NASDAQ)

Number of Stores: (at fiscal year end)

1987	21	1984	53
1986	28	1983	65
1985	50		

Sales & Earnings

	Net Sales	Net Income +
1987	$ 359,872,000	$ 7,375,000
1986*	398,834,000	4,609,000
1985	415,855,000	5,688,000
1984	435,005,000	5,239,000
1983	464,282,000	1,767,000

	No. of Com. Shares	Earn. per Share + #
1987	1,512,724	$ 3.64
1986*	2,085,470	1.89
1985	2,342,470	2.30
1984	2,342,470	2.06
1983	2,560,232	0.52

* 53 weeks.
+ Including extraordinary gains of $15,328 ($0.01 per share) in 1985, $331,378 ($0.14 per share) in 1984, and extraordinary losses of $230,000 ($0.12 per share) in 1987 and $309,000 ($0.11 per share) in 1983.
# Based on the average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	$ 0.30	—	—

Common Stock Equity

	Total Equity +	Equity Per Share
1987	$ 17,750,000	$ 11.73
1986	30,687,000	14.71
1985	33,258,000	14.20
1984	28,372,000	12.11
1983	25,683,000	10.03

+ After allowing for preferred stock at liquidation value.

Income Account *

Year ended	1/2/88	1/3/87 (53 weeks)
Net sales	$ 359,872,440	$ 398,833,997
Cost of sales	207,776,933	240,937,485
Expenses	135,508,152	145,458,746
Interest income	(3,475,747)	(2,898,092)
Interest expense	4,694,058	3,980,777
Other expense	416,902	1,517,566
Income bef. taxes	$ 14,952,142	$ 9,837,515
Income taxes	7,347,000	5,229,000
Net Income	$ 7,605,142	$ 4,608,515
Extraordinary loss	(230,103)	—
Net income & extraord. loss	$ 7,375,039	$ 4,608,515

* Included in Costs and Expenses, Depreciation: $13,965,916 in 1987 and $14,171,612 in 1986.

Assets

As of	1/2/88	1/3/87
Cash	$ 5,170,193	$ 10,982,667
Accts. & notes receiv., net	30,648,526	27,259,943
*Inventories	34,904,881	17,830,416
Prepaid expenses	1,498,122	1,755,813
Current Assets	$ 72,221,722	$ 57,828,837
Investments	3,700,505	3,942,553
Notes & contracts receiv.	12,620,488	9,786,186
Prop. for sale	1,942,952	3,044,817
#Fixed assets	43,115,122	41,715,425
Other assets	2,142,091	6,751,520
Total Assets	$ 135,742,880	$ 123,069,338

Liabilities

Accts payable & accruals	$ 40,005,684	$ 37,646,433
Long-term debt	2,751,696	3,376,212
Curr. Liabilities	$ 42,757,380	$ 41,022,645
Long-term debt	43,789,789	25,825,365
Deferred income	14,678,895	10,502,371
Deferred taxes	3,960,241	3,419,871
Other liabilities	3,073,755	1,879,575
+Preferred stock	2,433,225	2,433,225
++Common stock	1,161,058	1,075,058
Add. paid-in capital	33,906,089	34,881,114
Notes receiv. - officer	(516,250)	(505,542)
Retained earnings	30,496,596	23,778,979
Treasury stock	(39,997,898)	(21,243,323)
Total Liabilities & Shareholders' Equity	$ 135,742,880	$ 123,069,338

* At lower of cost (LIFO & FIFO) or market.
# Less accumulated depreciation and amortization.
+ $15 par value; $2.25 cumulative.
++ $0.25 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.16	2.47
%Net Income to Sales	2.11	1.16
%Net Income to Equity	27.67	11.40
Sales to Inventories	10.31	22.37
Debt to Equity	1.69	0.72
Working Capital	$ 29,464,342	$ 16,806,192
Current Ratio	1.69	1.41
Shareholders' Equity	$ 27,482,820	$ 40,419,511

Armel, Inc.

(Acquired by F.W. Woolworth Co. in December 1987.)

3499 N.W. 53rd Street
Fort Lauderdale, Florida 33309
(305) 486-6161

Officers: Melvin F. Goldman, chairman of the board & chief executive officer; Arthur Kwiat, president & chief operating officer; Jay M. Gartenlaub, exec. v.p. & chief financial officer; Jeffrey M. Goldman, v.p.-operations; Kenneth Mularz, v.p.-footwear; Lisa B. Goldman, v.p.-activewear; Susan France, controller.

Directors: Melvin F. Goldman, chairman of the board; Arthur Kwiat, Jay M. Gartenlaub, David Vozick, Edward L. Slater.

Business Activities: Operates 37 retail sporting goods stores in 14 states under the name Champs, 11 "The Athlete's Foot" specialty retail stores in south Florida, 10 off-price specialty retail stores under the name "SneaKee Feet" and one specialty retail store under the name "Sneakers". All the Company's stores feature athletic footwear, sports apparel, and accessories, among other items.

Subsidiaries:

Champs of Maryland

Lee Sports Inc. of Maryland
Operates five sporting goods stores.

Number of Stores: (at fiscal year end)

1987	59	1984	23
1986	67	1983	13
1985	58		

Sales & Earnings

	Net Sales	Net Income †
1987	$ 43,649,000	$ (1,395,000)
1986	44,186,000	(5,747,000)
1985	24,162,000	1,098,000
1984	13,378,000	631,000
1983	9,187,000	446,000

	No. of Com. Shares ‡	Earn. per Share † ‡
1987	2,922,259	$ —
1986	2,441,499	—
1985	1,811,591	0.61
1984	1,428,185	0.44
1983	900,000	0.50

(Loss)
† Including extraordinary gain of $319,000 in 1987.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	$ —	—	—
1986	—	—	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	$ 14,100,614 †	$ 4.83
1986	15,215,095 †	6.23
1985	11,313,788 †	6.25
1984	7,918,463	5.54

† After allowing for preferred stock at par value.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *

Year ended Jan. 31	1987	1986
Net sales	$ 43,648,615	$ 44,186,435
Cost of sales	28,405,689	32,249,354
Expenses	15,491,670	17,800,873
Interest expense	1,583,830	1,227,403
Interest income	(119,036)	(131,723)
Loss before taxes	$ (1,713,538)	$ (6,959,472)
Tax credit	—	(1,212,000)
Net Loss	$ (1,713,538)	$ (5,747,472)
Extraord. gain	318,727	—
Net Loss & extraord. gain	$ (1,394,811)	$ (5,747,472)

* Included in Costs and Expenses, Depreciation and Amortization: $1,902,976 in 1987 and $1,446,922 in 1986.

Assets

As of Jan. 31	1987	1986
Cash	$ 553,371	$ 404,240
Accts. receiv., net	763,884	506,755
Refundable taxes	—	570,000
*Inventories	13,708,318	15,782,758
Other curr. assets	297,067	168,798
Current Assets	$ 15,324,640	$ 17,432,551
#Fixed assets	10,868,272	13,142,926
Other assets	497,707	423,741
Intangibles	5,227,290	5,492,644
Total Assets	$ 31,917,909	$ 36,491,862

Liabilities

Notes payable to former owners	$ —	$ 661,128
Long-term debt, curr.	906,063	984,935
Accts. payable	4,742,980	5,647,614
Accruals	1,289,779	1,847,826
Curr. Liabilities	$ 6,938,822	$ 9,141,513
Long-term debt	10,255,374	12,134,918
Deferred gain on sale of bldg.	623,093	—
+Preferred stock	6	336
++Common stock	2,594	2,224
++Common stock-Series A	605	605
Add. paid-in capital	18,410,546	18,130,586
Retained earnings (deficit)	(4,313,131)	(2,918,320)
Total Liabilities & Shareholders' Equity	$ 31,917,909	$ 36,491,862

* At lower of cost (weighted average) or market.
# Less accumulated depreciation and amortization.
+ $0.001 par value; convertible.
++ $0.001 par value.

Statistical Summary

Sales to Inventories	3.18	2.80
Debt to Equity	0.79	0.91
Working Capital	$ 8,385,818	$ 8,291,038
Current Ratio	2.21	1.91
Shareholders' Equity	$ 14,100,620	$ 15,215,431

Atari Corporation

1196 Borregas Avenue
Sunnyvale, California 94086
(408) 745-2000

Officers: Jack Tramiel, chairman of the board & chief executive officer; Sam Tramiel, president & chief operating officer; Gregory A. Pratt, v.p.-finance & chief financial officer; Shiraz Shivji, v.p.-advanced technology; Garry Tramiel, v.p.-administration & secretary; Leonard Tramiel, v.p.-software development; Elton Southard, v.p.-semiconductor operations; Samuel W.L. Chin, vice president; Taro Tokai, vice president; Steven M. Kawalick, treasurer.

Directors: Jack Tramiel, chairman; Sam Tramiel, Samuel W.L. Chin, Leonard I. Schreiber, Gregory A. Pratt, Michael Rosenberg.

Business Activities: Through The Federated Group, Inc., a wholly owned subsidiary, operates 68 consumer electronics retail stores in California, Arizona, New Mexico, Texas and Kansas. Other Company activities include the manufacture of personal computers, related peripherals and accessories, and video game systems.

Subsidiaries:

Atari (Benelux) B.V.
Atari (Canada) Corp.
Atari Computers Pty. Ltd
Atari Frances S.A.
Atari Corp. (Deutschland) GmbH
Atari Italia S.P.A.
Atari (Japan) Corp.
Atari (Mexico) S.A. de C.V.
Atari (Mexico) Fabricante S.A. de C.V.
Atari Corp. Sverge AB-(Sweden)
Atari (Schweiz) AG
Atari Taiwan Manufacturing Corp.
Atari Corp. (U.K.) Ltd.
Atari Technology Corp.
Atari 'U.S.' Corp.
Atari Explorer Publications Corp.
Ordenadores Atari S.A.
Styra Semiconductor Corporation

Acquisition:

The Federated Group, Inc.

Transfer Agent(s):

Registrar and Transfer Company
10 Commerce Drive
Cranford, New Jersey 07016

Stock Exchange(s): American, Midwest, Pacific, Philadelphia

Ticker Symbol: ATC

Number of Stores:

1987	68

Sales & Earnings

	Net Sales	Net Income †
1987	$ 493,172,000	$ 57,429,000
1986	258,131,000	44,516,000
1985	141,987,000	(14,314,000)

	No. of Com. Shares	Earn. per Share † ‡
1987	57,703,000	$ 0.99
1986	57,788,000	0.95
1985	32,683,000	—

(Loss)
† Including extraordinary gains of 13,277,000 ($0.23 per share) in 1987 and $19,466,000 ($0.42 per share) in 1986.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1987	1986
New & redesigned prods.	$ 358,003,000	$ 215,002,000
Purchased prods.	4,605,000	43,129,000
Retail operations	130,564,000	—
Total	$ 493,172,000	$ 258,131,000

Common Stock Equity

	Total Equity	Equity Per Share
1987	$ 167,655,000	$ 2.91
1986	105,422,000	1.82
1985	(19,477,000)	—

(Deficiency)

Income Account *
(000's)

Year ended Dec. 31	1987	1986
Net sales	$ 493,172	$ 258,131
Cost of sales	304,017	149,222
Expenses:		
Res. & develop.	18,046	14,496
Mktng. & distr.	91,777	34,009
Gen. & adm.	13,703	12,189
Interest expense	5,179	8,049
Interest income	(7,121)	(1,866)
Other income	(7,262)	(5,201)
Income before taxes	$ 74,833	$ 47,233
Income taxes	30,681	22,183
Net Income	$ 44,152	$ 25,050
Extraord. gain	13,277	19,466
Net Income & extraord. gain	$ 57,429	$ 44,516

* Included in Costs and Expenses, Depreciation and Amortization: $4,357,000 in 1987 and $1,234,000 in 1986.

Assets
(000's)

As of Dec. 31	1987	1986
Cash & temp. cash invest.	$ 103,485	$ 70,779
Restricted cash	—	1,675
Accts. receiv., net	101,632	37,109
*Inventories	196,898	64,834
Prepaid expenses	3,687	841
Current Assets	$ 405,702	$ 175,238
#Fixed assets	66,522	5,839
Other assets	33,076	3,099
Intangibles	13,054	—
Total Assets	$ 518,354	$ 184,176

Liabilities
(000's)

Notes payable	$ 9,153	—
Long-term debt, curr.	1,510	2,033
Accts. payable	131,870	38,420
Accruals	58,279	36,059
Income taxes	16,391	2,242
Curr. Liabilities	$ 217,203	$ 78,754
Long-term debt	133,496	—
+Common stock	577	578
Add. paid-in capital	142,247	142,476
Notes receiv. - stock sale	(1,417)	(2,299)
Retained earnings (deficit)	24,873	(32,556)
Trans. adjust.	1,375	(2,777)
Total Liabilities & Shareholders' Equity	$ 518,354	$ 184,176

* At lower of cost (average or standard) or market.
# Less accumulated depreciation and amortization.
+ $0.01 per value.

Statistical Summary

%Income bef. Taxes to Sales	15.17	18.30
%Net Income to Sales	8.95	9.70
%Net Income to Equity	26.34	23.76
Sales to Inventories	2.50	3.98
Debt to Equity	0.86	0.02
Working Capital	$ 188,499,000	$ 96,484,000
Current Ratio	1.87	2.23
Shareholders' Equity	$ 167,655,000	$ 105,422,000

J. Baker, Inc.

65 Sprague Street
Readville, Massachusetts 02137
(617) 364-3000

NOTE: On July 10, 1985, the Company acquired National Shoes, Inc. in a management leveraged buyout.

Officers: Sherman N. Baker, chairman of the board, chief executive officer & president; Paul P. Douillette, sr. exec. v.p. & general merchandise mgr.; Lawrence B. Geller, sr. exec. v.p. & dir.-store operations; Alan I. Weinstein, sr. exec. v.p., chief financial officer, treasurer & secretary; Alvin Dubin, exec. v.p. & gen. mgr.-Parade of Shoes; Philip G. Rosenberg, exec. v.p., corp. controller, asst. treasurer & asst. secretary; Richard Derois, first sr. v.p. & asst. dir.-store operations; William McKeown, first sr. v.p.-merchandising service; Robert J. Schoen, first sr. v.p.-real estate; Lewis Strassberg, first sr. v.p.-management informations systems; Sidney Volin, first sr. v.p. & asst. general merchandise mgr.; Peter Armington, sr. v.p.-advertising; Marcia Donovan, sr. v.p. & merchandise mgr.; Thomas Grundig, sr. v.p.-store operations; Ronald Harvell, sr. v.p.-store operations; Virginia Pitta, sr. v.p.-human resources; Kenneth Asaad, v.p.-warehousing; Raymond Derois, v.p.-store operations; Brian Eddy, v.p. & merchandise mgr.; Solomon Kaplan, v.p.-licensee liaison; David Mileto, v.p.-store operations; Jay Scheiner, v.p. & dir.-budgets and inventory control; Richard Volpe, v.p. & merchandise mgr.; Elizabeth C. White, v.p.-finance & asst. secretary.

Directors: Sherman N. Baker, chairman; David R. Albin, J. Christopher Clifford, Ervin D. Cruce, Thomas H. Lee, Stanley Simon.

Business Activities: Operates 558 licensed shoe departments in 21 states, 76 Parade of Shoes women's retail shoe stores in the Northeast, five Step In Shoes family retail shoe stores in Massachusetts and New Hampshire, and engages in the wholesale distribution of shoes.

Transfer Agent(s):

Fleet National Bank
Providence, Rhode Island

Stock Exchange(s): Over-the-Counter

Ticker Symbol: JBAK (NASDAQ)

Number of Stores:

	Licensed Shoe Departments	Shoe Stores
1988	558	81
1987	508	51

Sales & Earnings

	Net Sales	Net Income +
1987	$ 200,680,000	$ 7,465,510
1986	165,796,000	7,974,442
1985 †	70,627,425	(3,471,714)

	No. of Com. Shares ‡	Earn. per Share + ‡
1987	9,254,475	$ 0.81
1986	8,611,559	0.93
1985 †	6,840,000	—

(Loss)
† 29 weeks.
+ Including extraordinary gain of $1,596,000 ($0.19 per share) in 1986.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	$ 29,799,356	$ 3.22
1986	33,760,516	3.92
1985	528,286	0.08

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account

Year ended	1/30/88	1/31/87
Net sales	$ 200,680,008	$ 165,796,480
Cost of sales	122,516,484	101,561,923
Expenses	60,316,325	48,066,441
Depreciation & amortization	2,953,329	2,301,272
Interest expense	1,673,511	1,821,751
Interest income	(81,151)	(171,169)
Income before taxes	$ 13,301,510	$ 12,216,442
Income taxes	5,836,000	5,838,000
Net Income	$ 7,465,510	$ 6,378,442
Extraord. gain	—	1,596,000
Net Income & extraord. gain	$ 7,465,510	$ 7,974,442

Assets

As of	1/30/88	1/31/87
Cash	$ 1,413,705	$ 3,075,171
Accts. receiv., net	7,732,398	6,887,345
* Inventories	62,291,110	47,768,190
Prepaid expenses	1,176,549	640,418
Current Assets	$ 72,613,762	$ 58,371,124
# Fixed assets	14,383,894	11,698,688
Prop. held under cap. leases	230,972	1,381,364
Other assets	3,695,121	2,911,390
Total Assets	$ 90,923,749	$ 74,362,566

Liabilities

Long-term debt, curr.	$ 1,680,000	$ —
Cap. lease oblig., curr.	136,203	378,982
Accts. payable	34,556,017	21,349,219
Accrued payroll	1,146,129	1,829,302
Accrued interest	226,822	92,045
Other accruals	905,558	1,036,816
Income taxes	1,591,271	4,043,407
Other taxes	210,967	190,456
Curr. Liabilities	$ 40,452,967	$ 28,920,227
Long-term debt	19,520,000	10,000,000
Cap. lease oblig.	144,060	1,096,409
Deferred inc. taxes	482,000	—
Other liabilities	535,366	585,414
+ Common stock	4,949,058	4,933,050
Add. paid-in capital	24,546,033	24,531,745
Retained earnings	11,412,400	4,502,728
Treasury stock	(11,118,135)	(207,007)
Total Liabilities & Shareholders' Equity	$ 90,923,749	$ 74,362,566

* At lower of cost or market.
# Less accumulated depreciation and amortization.
+ $0.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	6.63	7.37
%Net Income to Sales	3.72	3.85
%Net Income to Equity	25.06	18.89
Sales to Inventories	3.22	3.47
Debt to Equity	0.72	0.34
Working Capital	$ 32,160,795	$ 29,450,897
Current Ratio	1.80	2.02
Shareholders' Equity	$ 29,789,356	$ 33,760,516

The Banker's Note, Inc.

4900 Highlands Parkway
Smyrna, Georgia 30082
(404) 432-0636

Officers: Martin S. Suchik, chairman of the board, president & chief executive officer; Harold D. Cannon, v.p.-operations, secretary & treasurer.

Directors: Martin S. Suchik, chairman; Harold D. Cannon, Jerry L. Barton, Walter S. Segaloff, S. K. Chow.

Business Activities: Operates 66 ladies' apparel specialty stores under the names The Banker's Note (58), Top 20 (6), and Brenda Allen's (2), in nine southern states. The Banker's Note and Brenda Allen's stores carry broad lines of moderate to better-priced ladies' apparel ranging in price from $20 to $100, while Top 20 stores offer moderate-priced sportswear from $8 to $20. Although the Company emphasizes the sale of brand-name fashions, it also designs and has manufactured a significant amount of private label goods sold in its stores.

Transfer Agent(s):

The Citizens and Southern National Bank
33 North Avenue
Atlanta, Georgia 30308

Stock Exchange(s): Over-the-Counter

Ticker Symbol: BKNT (NASDAQ)

Number of Stores:

1988 ..... 66 1987 75

Sales & Earnings

	Net Sales	Net Income
1988	$ 39,855,000	$ (1,482,000)
1987	34,585,000	1,374,000
1986	24,279,000	1,228,000
1985	20,719,000	299,000
1984	15,783,000	871,000

	No. of Com. Shares ‡	Earn. per Share ‡
1988	1,218,000	$ —
1987	3,426,000	0.40
1986	2,853,000	0.43
1985	2,876,000	0.11
1984	3,185,000	0.28

(Loss)
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	$ 6,353,000	$ 1.97
1987	8,353,000	2.44
1986	6,660,000	2.33
1985	3,997,000	1.39
1984	4,371,000	1.37

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account

Year ended	1/30/88	1/31/87
Net sales	$ 39,855,000	$ 34,585,000
Cost of sales	30,065,000	22,018,000
Expenses	11,704,000	9,406,000
Depreciation & amortization	871,000	711,000
Interest expense	41,000	40,000
Interest income	(407,000)	(308,000)
Store clos. costs	256,000	—
Income (loss) before taxes	$ (2,675,000)	$ 2,718,000
Income taxes (credit)	(1,193,000)	1,344,000
Net Income	$ (1,482,000)	$ 1,374,000

Assets

As of	1/30/88	1/31/87
Cash & short-term invest.	$ 807,000	$ 368,000
Marketable securities	—	277,000
Accts. receiv., net	238,000	217,000
Notes receiv. - shareholders	121,000	—
Refundable taxes	1,063,000	—
*Inventories	5,031,000	8,746,000
Prepaid expenses	180,000	149,000
Current Assets	$ 7,440,000	$ 9,757,000
Fixed assets	2,051,000	2,412,000
Other assets	96,000	74,000
Total Assets	$ 9,587,000	$ 12,243,000

Liabilities

Notes payable	$ —	$ 248,000
Long-term debt, curr.	187,000	187,000
Accts. payable	2,073,000	1,567,000
Accruals	503,000	1,075,000
Accrued payroll	257,000	206,000
Customer credits	102,000	155,000
Income taxes	—	182,000
Curr. Liabilities	$ 3,122,000	$ 3,620,000
Long-term debt	—	187,000
Deferred inc. taxes	112,000	83,000
+Common stock	41,000	41,000
Add. paid-in capital	3,856,000	3,718,000
Retained earnings	3,785,000	5,267,000
Treasury stock	(1,329,000)	(673,000)
Total Liabilities & Shareholders' Equity	$ 9,587,000	$ 12,243,000

* At lower of cost (FIFO) or market.
‡ Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income before Taxes to Sales	—	7.86
%Net Income to Sales	—	3.97
%Net Income to Equity	—	16.45
Sales to Inventories	7.92	3.95
Debt to Equity	0.03	0.07
Working Capital	$ 4,318,000	$ 6,137,000
Current Ratio	2.38	2.70
Shareholders' Equity	$ 6,353,000	$ 8,353,000

BATUS Inc.

2000 Citizens Plaza
Louisville, Kentucky 40202
(502) 581-8000

BATUS Inc. is a wholly owned subsidiary of B.A.T. Industries p.l.c. of London, England.

Officers: Patrick Sheehy, chairman; Henry F. Frigon, president & chief exec. officer; Leonard W. Arentsen, exec. v.p.; Carl J. Heger, sr. v.p. & chief financial officer; A. C. Martinez, sr. v.p.; E. F. Kohnhorst, v.p.-planning; R. W. Tyler, v.p. & controller; W. W. Wyatt, Jr., v.p.-corp-affairs & government relations; Tony O. Hall, v.p.-human resources; David A. Schechter, v.p. & general counsel; Leonard E. Lyles, v.p.-minority affairs; David H. Roe, v.p. & treasurer; F. Anthony Burke, secretary & senior counsel.

Directors: Patrick Sheehy, chairman; Henry F. Frigon, Leonard W. Arentsen, R. J. Pritchard, J. W. Turner, A. C. Martinez, Carl J. Heger.

Business Activities: Organized in three industrial segments--Tobacco, Retail and Paper. Brown & Williamson Tobacco Corporation manufactures cigarettes, including Barclay, Kool, Lucky Strike, Raleigh and Viceroy. Appleton Papers, Inc. produces carbonless and thermal paper and colored enamels.

Retail Divisions:

Saks Fifth Avenue
611 Fifth Avenue
New York, New York 10022
Operates 44 fashion specialty stores in 18 states.

Thimbles
1001 Avenue of the Americas
New York, New York 10018
Operates 57 specialty fashion stores in 15 states.

The John Breuner Company
3201 Fostoria Way
San Ramon, California 94583
Operates 17 quality home furnishing stores and 40 furniture rental stores in Arizona, California and Nevada.

Ivey's
127 North Tryon Street
Charlotte, North Carolina 28202
Operates 24 department stores in North and South Carolina and Florida.

Marshall Field's & Company
111 North State Street
Chicago, Illinois 60690
Operates 25 department stores in Illinois, Wisconsin and Texas.

Number of Stores: (at fiscal year end)

	Department Stores	Special Stores
1987	49	101
1986	50	90
1985	45	72
1984	134	56
1983	133	46

	Furnishing Stores
1987	57
1986	57
1985	59
1984	57
1983	53

Sales & Earnings

	Net Sales +	Net Income
1987	$ 5,834,501,000	$ 466,203,000
1986	5,499,452,000	393,663,000
1985	5,086,902,000	163,532,000
1984	4,876,023,000	313,523,000
1983	4,802,941,000	258,560,000

+ Of continuing operations only.

Revenues by Line of Business
(000's)

	1987	1986
Tobacco	$ 2,486,553	$ 2,304,961
Retailing	2,568,636	2,471,280
Paper	779,312	723,211
Total	$ 5,834,501	$ 5,499,452

Income Account *
(000's)

Year ended Dec. 31	1987	1986
Net sales	$ 5,834,501	$ 5,499,452
Cost of sales	3,171,475	2,902,384
Fed. excise taxes	494,668	536,750
Expenses	1,263,701	1,225,281
Interest expense	88,194	132,468
Income before taxes	$ 816,463	$ 702,569
Income taxes	350,260	338,906
Credit for retail restruc.	—	(30,000)
Net Income	$ 466,203	$ 393,663

* Included in Costs and Expenses, Depreciation: $95,422,000 in 1987 and $125,633,000 in 1986.

Assets
(000's)

As of Dec. 31	1987	1986
Cash	$ 7,126	$ 15,985
Short-term invest.	1,188,538	435,071
Accts. receiv., net	323,975	821,096
*Inventories	787,571	794,850
Other assets	111,811	71,413
Current Assets	$ 2,419,021	$ 2,138,415
#Fixed assets	1,509,651	1,430,069
Other assets	470,438	438,672
Intangibles	239,066	234,972
Total Assets	$ 4,638,176	$ 4,242,128

Liabilities
(000's)

Short-term borr.	$ —	$ 5,000
Long-term debt & cap. lease oblig., curr.	6,577	81,352
Accts. payable	347,701	321,995
Accruals	484,040	555,407
Due to affil. co.	29,035	14,362
Income & excise taxes	269,294	175,952
Curr. Liabilities	$ 1,136,647	$ 1,154,068
Long-term debt	910,529	910,224
Other liab.	745,715	578,754
+Common stock	1	1
Add. paid-in capital	73,252	73,252
Retained earnings	— 1,772,032	1,525,829
Total Liabilites & Shareholders' Equity	$ 4,638,176	$ 4,242,128

* At lower of cost (LIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Net Income to Equity	25.26	24.62
Sales to Inventories	7.41	6.92
Debt to Equity	0.50	0.62
Working Capital	$ 1,282,374	$ 984,347,000
Current Ratio	2.13	1.85
Shareholders' Equity	$ 1,845,285,000	$ 1,599,082,000

The Becker Milk Company Limited

671 Warden Avenue
Scarborough, Ontario M1L 3Z7 Canada
(416) 698-2591

Officers: Frank A. Bazos, chairman of the board; Robert W. Lowe, honorary vice chairman; Geoffrey W. J. Pottow, president; Robert Bazos, vice chairman; George Panos, vice chairman; Arvi Magi, exec. v.p., treasurer & secretary; Harold Keene, v.p.; Lorne Smith, v.p..

Directors: Frank A. Bazos, chairman; Robert W. Lowe, R. J. Kane, Robert Bazos, E. S. Miles, George Panos, Geoffrey W. J. Pottow, Arvi Magi, R. S. Paddon.

Business Activities: Operates a chain of dairy and convenience stores throughout Ontario. Also engaged in the business of processing milk and dairy products.

Divisions and Subsidiaries:

Scarborough Fair Convenience Stores Limited
Starlight Variety Stores

Acquisitions:

Shaw's Ice Cream Limited
St. Thomas, Ontario, Canada
Manufactures ice cream products.

Shaw's Dairy Stores Limited
St. Thomas, Ontario, Canada
Operates 35 Shaw's Dairy Stores.

Transfer Agent(s):

The Royal Trust Company
Toronto, Ontario, Canada
Montreal, Quebec, Canada

Stock Exchange(s): Toronto

Ticker Symbol: BEKQ

Number of Stores: (at fiscal year end)

1987	743	1984	653
1986	692	1983	653
1985	681		

Sales & Earnings

	Net Sales	Net Income ‡
1987	$ 336,889,960	$ 4,948,500
1986	312,958,537	5,550,560
1985	283,084,979	6,699,151
1984	257,226,204	5,676,774
1983	233,113,251	5,033,470

	No. of Com. Shares #	Earn. per Share # ‡
1987	1,728,360	$ 2.84
1986	1,728,360	3.19
1985	1,728,360	3.86
1984	1,728,360	3.26
1983	1,728,360	2.89

‡ Including extraordinary gain of $582,000 ($0.34 per share) in 1985.
# Based on common shares and Class B shares combined.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	$ 0.75	—	—
1986	1.18	—	—
1985	0.60	—	—
1984	0.60	—	—
1983	0.58	—	—

Common Stock Equity

	Total Equity †	Equity Per Share ‡
1987	$ 50,321,522	$ 29.12
1986	46,703,342	27.02
1985	43,217,655	25.01
1984	37,589,570	21.75
1983	32,983,862	19.08

† After allowing for Class A preference stock at par value.
‡ Based on common shares and Class B shares combined.

Income Account

Year ended April 30	1987	1986
Net sales	$ 336,889,960	$ 312,958,537
Cost of sales & expenses	319,280,084	295,495,208
Depreciation & amortization	5,974,102	5,701,318
Interest expense	1,174,174	834,451
Income before taxes	$ 10,461,600	$ 10,927,560
Income taxes	5,513,100	5,377,000
Net Income	$ 4,948,500	$ 5,550,560

Assets

As of April 30	1987	1986
Cash	$ 77,707	$ 68,550
Accts. receiv., net	3,214,069	2,757,967
*Inventories	31,239,002	27,924,195
Income tax refund	781,601	872,827
Prepaid expenses	1,748,095	457,994
Mort. receiv.	39,535	140,029
Current Assets	$ 37,100,009	$ 32,221,562
Investments	221,104	118,625
#Fixed assets	61,534,495	48,493,094
Other assets	1,532,804	905,377
Total Assets	$ 100,388,412	$ 81,738,658

Liabilities

Bank indebtedness	$ 9,667,242	$ 8,383,920
Accts. payable & accruals	21,492,294	17,411,615
Dividends payable	648,135	1,512,315
Long-term debt	779,676	1,042,986
Minority interest	888,000	—
Curr. Liabilities	$ 33,475,347	$ 28,350,836

The Becker Milk Company Limited

Bank loan	12,225,000	4,875,000
Long-term debt:		
Deferred franchise income	191,991	187,272
Mortg. payable	1,893,086	689,005
Other debt	561,830	477,594
Less curr. portion	(779,676)	(1,042,986)
Deferred inc. taxes	1,045,812	931,095
Minority interest	888,000	—
+Class A preferred	567,500	567,500
++Class B preferred	916,955	916,955
+++Common stock	288	288
Retained earnings	49,404,279	45,786,099
Total Liabilities & Shareholders' Equity	$ 100,388,412	$ 81,738,658

* At lower of cost (FIFO) or net realizable value.
# Less accumulated depreciation and amortization.
+ $100 par value; 6% cumulative.
++ No par value; non-voting, non-cumulative.
+++ No par value.

Statistical Summary

%Income bef. Taxes to Sales	3.11	3.49
%Net Income to Sales	1.47	1.77
%Net Income to Equity	9.72	11.74
Sales to Inventories	10.78	11.21
Debt to Equity	0.48	0.31
Working Capital	$ 3,624,662	$ 3,870,726
Current Ratio	1.11	1.14
Shareholders' Equity	$ 50,889,022	$ 47,270,842

W. Bell & Co., Inc.

12401 Twinbrook Parkway
Rockville, Maryland 20852
(301) 881-2000

Officers: Walter Bell, chairman of the board & president; Bernard M. Blum, exec. v.p.; Fredric J. Bell, sr. v.p.; Desmond J. Karmolinski, v.p.-marketing; Warren E. Lawhon, v.p.-advertising & catalog production; Dorothy Bell, secretary; Martin Pfeifer, v.p.-finance, treasurer; Larry McPherson, v.p.-corp. systems; Thomas E. Tatum, v.p.-branch operations; Michael O. Kraft, v.p.-merchandising.

Directors: Walter Bell, chairman; Bernard M. Blum, Fredric J. Bell, Dorothy Bell, Martin Pfeifer.

Business Activities: Operates a chain of showrooms/warehouses selling gift merchandise; also conducts catalog sales. Showrooms are located in the Washington D.C.; Baltimore, Maryland; and Chicago, Illinois, metropolitan areas.

Transfer Agent(s):

Maryland National Bank
Baltimore, Maryland

Stock Exchange(s): Over-the-Counter

Ticker Symbol: BLLW (NASDAQ)

Number of Stores:

1987	17	1984	18
1986	22	1983	18
1985	21		

Sales & Earnings

	Net Sales	Net Income
1987	$ 129,828,000	$ (8,074,000)
1986	143,356,000	(2,161,000)
1985	148,156,000	1,518,000
1984	138,060,000	2,657,000
1983	125,365,171	2,691,360

	No. of Com. Shares ‡	Earn. per Share ‡
1987	3,048,654	$ —
1986	3,051,758	—
1985	3,029,870	0.50
1984	2,839,528	0.94
1983	2,386,047	1.13

(Loss)
‡ Based on the average number of shares outstanding adjusted to reflect stock dividends.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	—	—	—
1986	—	—	—
1985	—	10%	—
1984	—	10%	—
1983	—	5%	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	$ 18,034,000	$ 5.92
1986	26,188,000	8.58
1985	28,597,000	9.44
1984	27,266,000	9.60
1983	18,841,719	7.90

‡ Based on the average number of shares outstanding adjusted to reflect stock dividends.

Income Account

Year ended	6/27/87	6/28/86
Net sales	$ 129,828,000	$ 143,456,000
Cost of sales	105,767,000	118,253,000
Expenses	23,970,0000	25,746,000
Depreciation & amortization	2,286,000	2,369,000
Interest expense	1,336,000	1,488,000
Prov. for store closings	8,813,000	—
Loss bef. taxes	$ (12,344,000)	$ (4,500,000)
Tax credit	(4,270,000)	(2,339,000)
Net Loss	$ (8,074,000)	$ (2,161,000)

Assets

As of	6/27/87	6/28/86
Cash	$ 1,767,000	$ 2,401,000
Short-term invest.	2,000,000	—
Accts. receiv., net	200,000	511,000
Income taxes	1,804,000	3,389,000
*Inventories	24,563,000	35,497,000
Other assets	1,365,000	2,208,000
Current Assets	$ 31,699,000	$ 44,006,000
#Fixed assets	15,026,000	19,187,000
Other assets	78,000	78,000
Total Assets	$ 46,803,000	$ 63,271,000

Liabilities

Notes payable	$ —	$ 1,400,000
Long-term debt, curr.	7,055,000	1,643,000
Accts. payable	10,650,000	10,475,000
Accruals	3,176,000	3,531,000
Reserve for store closing	2,080,000	—
Curr. Liabilities	$ 22,961,000	$ 17,049,000
Long-term debt	5,808,000	17,364,000
Deferred inc. taxes	—	2,670,000
+Common stock	309,000	309,000
Add. paid-in capital	19,091,000	19,091,000
Retained earnings	(1,272,000)	6,878,000
Treasury stock	(94,000)	(90,000)
Total Liabilities & Shareholders' Equity	$ 46,803,000	$ 63,271,000

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

Sales to Inventories	5.29	4.04
Debt to Equity	0.32	0.78
Working Capital	$ 8,738,000	$ 26,957,000
Current Ratio	1.38	2.58
Shareholders' Equity	$ 18,034,000	$ 26,188,000

Berkshire Hathaway Inc.

1440 Kiewit Plaza
Omaha, Nebraska 68131
(402) 346-1400

Officers: Warren E. Buffett, chairman of the board & chief executive officer; Charles T. Munger, vice chairman; Robert H. Bird, v.p.; J. William Scott, v.p.; Michael A. Goldberg, v.p.; J. Verne McKenzie, v.p. & secretary; Marc D. Hamburg, treasurer; Daniel J. Jakaich, controller.

Directors: Warren E. Buffett, chairman; Charles T. Munger, Kenneth V. Chace, Malcom G. Chace, Jr., J. Verne McKenzie.

Business Activities: Operates Nebraska Furniture Mart, Inc., a large home furnishings retail store located in Omaha, Nebraska; and See's Candy Shops, Inc., a chain of over 200 retail candy shops in the West and Midwest. Also, through subsidiaries, the company is engaged in the underwriting of property and casual insurance, the trading stamps business, the newspaper business, the manufacture and marketing of vacuum cleaners and related accessories, the marketing of educational books, and the manufacture and marketing of uniforms.

Divisions and Subsidiaries:

National Indemnity Company
3024 Harney Street
Omaha, Nebraska 68131

National Fire and Marine Insurance Co.
3024 Harney Street
Omaha, Nebraska 68131

Columbia Insurance Company
3024 Harney Street
Omaha, Nebraska 68131

Cornhusker Casualty Co.
3035 Harney Street
Omaha, Nebraska 68131

Kansas Fire & Casualty Co.
Topeka, Kansas

Continental Divide Insurance Co.
Inglewood, Colorado

Lakeland Fire and Casualty Co.
6700 France Avenue South
Minneapolis, Minnesota 55435

Insurance Co. of Iowa
1228-8th Street
West Des Moines, Iowa 50265

Texas United Insurance Co.
1802 N E Loop 410
San Antonio, Texas 78217

Home and Automobile Insurance Co.
209 West Jackson Boulevard
Chicago, Illinois 60606

Cyprus Insurance Company
Pasadena, California

Sue's Candy Shops, Inc.
Operates over 200 retail stores in 12 western and midwestern states, offering boxed chocolates and other confectionary items that it manufactures.

Wesco Financial Corporation (80.1% owned)
315 E. Colorado Boulevard
Pasadena, California 91109

Illinois National Bank & Trust Co. of Rockford (98% owned)
228 Main Street
Rockford, Illinois 61101

Sun Newspapers, Inc.
900 S. 74 Plaza, Suite 400
Omaha, Nebraska 68114

Blue Chip Stamps
5801 South Eastern Avenue
Los Angeles, California 90040

Precision Steel Warehouse, Inc. (80% owned)
Franklin Park, Illinois

Nebraska Furniture Mart (90% owned)
Omaha, Nebraska
Operates a discount furniture store in Nebraska.

The Scott & Fetzer Company
Westlake, Ohio

The Fechheimer Brothers Company (84% owned)
Cincinnati, Ohio

Transfer Agent(s):

The First National Bank of Boston
P.O. Box 644
Boston, Massachusetts 02132

Stock Exchange(s): Over-the-Counter

Ticker Symbol: BKHT (NASDAQ)

Sales & Earnings

	Revenues ‡	Net Income
1987	$ 2,321,076,000	$ 234,552,000
1986	2,167,603,000	282,361,000
1985	933,485,000	435,815,000
1984	724,622,000	148,895,000
1983	599,057,000	112,166,000

	No. of Com. Shares	Earn. per Share +
1987	1,147,000	$ 204.51
1986	1,147,000	246.19
1985	1,147,000	379.99
1984	1,147,000	129.82
1983	1,147,000	105.15

‡ Revenues include insurance premiums, sales and service revenues, and interest and dividend income.
+ Based on the average number of shares outstanding.

Revenues by Line of Business
(000's)

	1987	1986
Insurance	$ 977,890	$ 931,379
Candy	157,391	151,861
Retailing of home furn.	145,997	135,301
Newspaper	122,955	114,267
Encyclopedias	325,772	285,356
Home cleaning prods.	129,678	126,812
Other	477,991	431,489
Total	$ 2,337,674	$ 2,176,665

Common Stock Equity

	Total Equity	Equity Per Share
1987	$ 2,841,659,000	$ 2,477.47
1986	2,377,797,000	2,073.06
1985	1,885,330,000	1,643.71
1984	1,271,761,000	1,108.77
1983	1,119,193,000	975.83

Income Account *
(000's)

Year ended	12/31/87	12/21/86
Insurance prem. earned	$ 824,895	$ 823,884
Sales & service rev.	1,332,840	1,225,290
Int. & dividend income	163,341	118,429
Eq. in earn. of unconsolid. subsid.	16,598	9,062
Revenues	$ 2,337,674	$ 2,176,665
Cost of prods. & serv. sold	705,203	651,717
Expenses	459,617	425,562
Insurance losses	661,146	655,758
Insurance underwriting expense	219,178	223,970
Interest expense	11,474	23,892
Income before taxes	$ 281,056	$ 195,766
Income taxes	60,154	59,152
Minority interest	6,156	5,150
Real. invest. gain	(19,806)	(150,897)
Net Income	$ 234,552	$ 282,361

* Included in Costs and Expenses, Depreciation and Amortization: $26,294,000 in 1987 and $25,723,000 in 1986.

Assets
(000's)

As of	12/31/87	12/21/86
Cash	$ 154,933	$ 292,473
Accts. receiv., net	273,855	434,703
*Inventories	154,288	159,660
Investments	4,269,480	2,996,322
#Fixed assets	200,643	212,211
Other assets	202,341	219,329
Goodwill	124,195	126,957
Total Assets	$ 5,379,735	$ 4,441,655

Liabilities
(000's)

Long-term debt	$ 132,165	$ 94,923
Losses & loss adj. expenses	1,260,422	860,228
Unearned premiums	341,344	414,986
Accts. payable, accruals and other liab.	252,353	236,157
Income taxes	505,921	414,275
Min. shareholders' int.	45,871	43,289
+Common stock	6,876	6,876
Add. paid-in capital	157,377	157,377
Apprec. of eq. securities	1,104,123	874,813
Retained earnings	1,614,221	1,379,669
Treasury stock	(40,938)	(40,938)
Total Liabilities & Shareholders' Equity	$ 5,379,735	$ 4,441,655

* At lower of cost (primarily LIFO) or market. Remainder at FIFO or average.
# Less accumulated depreciation and amortization.
+ $5 par value.

Statistical Summary

%Income bef. Taxes to Revenues	12.02	8.99
%Net Income to Revenues	10.03	12.97
%Net Income to Equity	8.25	11.87
Debt to Equity	0.05	0.04
Shareholders' Equity	$ 2,841,659,000	$ 2,377,797,000

Best Products Co., Inc.

Parham Road At I-95
Richmond, Virginia 23227
(804) 261-2000

Mailing address:
P.O. Box 26303
Richmond, Virginia 23260

Officers: Robert E. Huntley, chairman & chief exec. officer; Frances A. Lewis, vice chairman & exec. v.p.; William F. Costello, president & chief operating officer; J. Lee Hawks, sr. v.p.-operations; Robert A. Kendig, sr. v.p.-merchandising; Dudley L. Parker, Jr., sr. v.p.-administration; Fred A. Wollenberg, sr. v.p.-planning & marketing; James J. Spencer, corp. secretary & treasurer; John Penn, v.p.-real estate & facilities development; Sydney Lewis, chairman-exec. committee.

Directors: Robert L. Burrus, Jr., David Arnstein, Robert Huntley, Sydney Lewis, Frances Lewis, Ross R. Millhiser, James C. Wheat, Jr., Susan L. Butler, Cathleen Douglas Stone, Frank S. Royal, Thomas E. Capps, William F. Costello, John W. Snow.

Business Activities: Sells jewelry and nationally advertised brand-name merchandise through 194 catalog showrooms in 27 states under the name Best and operates a 22-store jewerly store chain, Best Jewelry.

Transfer Agent(s)

Crestar Bank
919 East Main Street
Richmond, Virginia 23219

Stock Exchange(s): New York

Ticker Symbol: BES

Number of Stores: (at fiscal year end)

1988	216	1985	244
1987	205	1984	197
1986	257		

Sales & Earnings

	Net Sales	Net Income †
1/30/88	$ 2,066,589,000	$ 30,527,000
1/31/87	2,142,118,000	(25,593,000)
2/1/86	2,234,768,000	2,223,000
2/2/85	2,252,656,000	13,609,000
1/28/84	2,081,328,000	33,013,000

	No. of Com. Shares #	Earn. Per Share # †
1/30/88	26,698,000	$ 1.14
1/31/87	26,984,000	—
2/1/86	26,936,000	0.08
2/2/85	27,086,000	0.50
1/28/84	26,443,000	1.25

(Loss)
† Including extraordinary loss of $2,600,000 in 1987.
# Based on the weighted average number of common shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend †	Stock Dividend	Stock Split
1/30/88	$ —	—	—
1/31/87	0.12	—	—
2/1/86	0.24	—	—
2/2/85	0.24	—	—
1/28/84	0.23	—	3-for-2

† Adjusted to reflect stock split.

Best Products Co., Inc.

Common Stock Equity

	Total Equity ‡	Equity Per Share †
1/30/88	$ 402,536,000	$ 15.08
1/31/87	386,790,000	14.33
2/1/86	415,028,000	15.41
2/2/85	418,778,000	15.46
1/28/84	414,635,000	15.68

‡ After allowing for preferred stock at par value.
† Based on the weighted average number of common shares outstanding adjusted to reflect stock split.

Income Account
(000's)

As of	1/30/88	1/31/87
Net sales	$ 2,066,589	$ 2,142,118
Cost of sales	1,499,641	1,592,984
Expenses	402,318	419,037
Depreciation & amortization	63,835	66,647
Interest expense	45,620	50,190
Prov. for restructuring	7,569	38,078
Income (loss) bef. taxes	$ 47,606	$ (24,818)
Income taxes (credit)	22,573	(1,825)
Net Income (Loss)	$ 25,033	$ (22,993)
Extraord. item	5,494	(2,600)
Net Income (Loss) & extraord. item	$ 30,527	$ (25,593)

Assets
(000's)

As of	1/30/88	1/31/87
Cash	$ 110,243	$ 103,197
Accts. receiv., net	28,571	29,670
*Inventories	670,236	649,862
Prepaid expenses	2,264	34,824
Current Assets	$ 811,314	$ 816,853
Investments	118,937	132,732
#Fixed assets	303,533	306,478
Other assets	6,076	9,574
Total Assets	$ 1,239,860	$ 1,265,637

Liabilities
(000's)

Long-term debt. & cap. lease oblig., curr.	$ 7,247	$ 8,236
Accts. payable	333,327	293,230
Accruals	76,672	98,937
Income taxes	8,819	—
Curr. Liabilities	$ 426,065	$ 400,403
Long-term debt	250,774	311,563
Cap. lease oblig.	142,834	152,397
Deferred credits	17,283	14,116
+Preferred Stock	368	368
++Common stock	24,953	26,991
Add. paid-in capital	186,623	199,344
Retained earnings	190,960	160,455
Total Liabilities & Shareholders' Equity	$ 1,239,860	$ 1,265,637

* At lower of cost (LIFO) or market. Electronics inventories at FIFO.
# Less accumulated depreciation and amortization.
+ $10 par value, 6% cumulative, Series A.
++ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	2.30	—
%Net Income to Sales	1.21	—
%Net Income to Equity	6.21	—
Sales to Inventories	3.08	3.30
Debt to Equity	0.99	1.22
Working Capital	$ 385,249,000	$ 416,450,000
Current Ratio	1.90	2.04
Shareholder's Equity	$ 402,904,000	$ 387,158,000

Big B, Inc.

2600 Morgan Road at I-459
Bessemer, Alabama 35023
(205) 424-3421

Mailing address:
P.O. Box 10168
Birmingham, Alabama 35202

Officers: Joseph Bruno, chairman of the board; Anthony J. Bruno, president; Arthur M. Jones, Jr., exec. v.p., secretary & treasurer; Vincent J. Bruno, v.p.-merchandising & adv.; Bobby W. Little, v.p.-store operations; John F. Hight, Jr., v.p.-professional relations; James A. Bruno, v.p.-marketing; J. Steven Taylor, v.p.-real estate & store development; Eugene A. Beckmann, v.p.-human resources.

Directors: Joseph Bruno, chairman; Anthony J. Bruno, Arthur M. Jones, Sr., Vincent J. Bruno, Isaac L. Alderman, Katherine M. McTyeire, Richard Cohn.

Business Activities: Operates 176 Big 'B' drugstores, 5 Home Health Care centers, and 7 Drugs for Less discount drugstores in five southern states, with the majority located in Alabama.

Transfer Agent(s):

First Alabama Bank
Montgomery, Alabama

Stock Exchange(s): Over-the-Counter

Ticker Symbol: BIGB (NASDAQ)

Number of Stores: (at fiscal year end)

1988	188	1985	114
1987	153	1984	99
1986	135		

Sales & Earnings

	Net Sales	Net Income
1988	$ 248,563,000	$ 7,276,000
1987	209,787,000	4,469,000
1986	175,431,000	4,039,000
1985	148,067,000	4,442,000
1984	116,988,000	3,471,000

	No. of Com. Shares †	Earn. per Share #
1988	7,393,003	$ 0.94
1987	7,369,245	0.61
1986	6,609,745	0.61
1985	6,574,416	0.68
1984	6,559,844	0.53

† Adjusted to reflect stock split.
# Based on the weighted average number of common shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Div.dend	Stock Split
1988	—	—	—
1987	—	—	—
1986	—	—	—
1985	—	—	—
1984	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share †
1988	$ 59,557,000	$ 8.06
1987	57,527,000	7.81
1986	34,563,000	5.23
1985	30,194,000	4.59
1984	25,534,000	3.89

† Adjusted to reflect stock split.

Income Account
(000's)

Year ended	1/30/88	1/31/87
Net sales	$ 248,563	$ 209,787
Cost of sales	173,523	147,536
Expenses	60,779	50,879
Depreciation & amortization	3,214,000	2,505
Gain on sale	(1,700)	—
Interest expense	705	894
Interest income	(89)	(236)
Income before taxes	$ 12,131	$ 8,209
Income taxes	4,855	3,740
Net Income	$ 7,276	$ 4,469

Assets
(000's)

As of	1/30/88	1/31/87
Cash & temp. cash. invest.	$ 208	$ 8,739
Receivables, net	5,524	5,199
*Inventories	70,810	57,762
Prepaid expenses	1,061	1,282
Current Assets	$ 77,603	$ 72,983
#Fixed assets	24,113	21,059
Cash surrender value of life insur. policy	326	242
Total Assets	$ 102,042	$ 94,204

Liabilities
(000's)

Long-term debt & cap. lease oblig., curr.	$ 318	$ 174
Notes payable	2,854	—
Accts. payable	22,172	21,491
Accruals	3,845	3,226
Due to Bruno's	2,891	1,130
Curr. Liabilities	$ 32,080	$ 26,021
Long-term debt & cap. lease oblig.	7,712	7,730
Deferred comp.	277	216
Deferred gains	64	394
Deferred inc. taxes	2,352	2,316
+Common stock	79	79
Add. paid-in capital	32,834	32,515
Retained earnings	31,513	24,933
Treasury stock	(4,869)	—
Total Liabilities & Shareholders' Equity	$ 102,042	$ 94,204

* At lower of cost (LIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.88	3.91
%Net Income to Sales	2.93	2.13
%Net Income to Equity	12.22	7.77
Sales to Inventories	3.51	3.63
Debt to Equity	0.18	0.14
Working Capital	$ 45,523,000	$ 46,882,000
Current Ratio	2.42	2.80
Shareholders' Equity	$ 59,557,000	$ 57,527,000

Big Bear, Inc.

770 West Goodale Boulevard
Columbus, Ohio 43212
(614) 464-6500

Officers: Michael J. Knilans, president & chief exec. officer; William T. Flyg, v.p., treasurer & chief financial officer; David W. Godfrey, v.p. & gen. mgr.-Hart Stores, Inc.;

Richard L. Vogel, v.p. & dir.-supermarket operations; Samuel J. Saporito, v.p. & dir.-supermarket merchandising; Charles H. Hire, secretary.

Directors: Gerald D. Cramer, Steven M. Friedman, David W. Godfrey, Michael J. Knilans, Jack Nash, Dean E. Smith, Richard L. Vogel, Charles H. Hire, Allan A. Feder, C. Dale Warman.

Business Activities: Through Big Bear Stores Company, a wholly owned subsidiary, operates 62 supermarkets in Ohio and West Virginia. Through Hart Stores, Inc., a wholly owned subsidiary of Big Bear Stores Company, operates 29 discount department stores in Ohio, West Virginia and Kentucky. Through Big Bear Bakeries, Inc., also a wholly owned subsidiary of Big Bear Stores Company, produces and distributes fresh bakery products to all of the Company's supermarkets.

Subsidiaries:

Big Bear Stores Company
Hart Stores, Inc.
Big Bear Bakeries, Inc.

Transfer Agent(s):

Manufacturers Hanover Trust Company
450 West 33rd Street
New York, New York 10001

Stock Exchange(s): Over-the-Counter

Ticker Symbol: BOBR (NASDAQ)

Number of Stores: (at fiscal year end)

	Supermarkets	Department Stores
1987	62	29
1986	62	28
1985	63	28
1984	61	27
1983	63	27

Sales & Earnings

	Net Sales	Net Income
1987	$ 871,156,000	$ 13,468,000
1986	861,630,000	13,220,000
1985*	828,102,000	14,973,000
1984	747,373,000	10,141,000
1983	704,311,000	9,831,000

	No. of Com. Shares ‡	Earn. per Share ‡
1987	7,837,283	$ 1.72
1986	7,837,283	1.69
1985	7,907,486	1.89
1984	8,143,438	1.25
1983	7,813,397	1.26

* 53 weeks.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend.

Revenues by Line of Business
(000's)

	1987	1986
Supermarkets	$ 679,214	$ 674,316
Discount dept. stores	191,942	187,314
Total	$ 871,156	$ 861,630

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	—	15%	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	$ 91,970,000	$ 11.73
1986	78,505,000	10.02
1985	65,285,000	8.26
1984	52,561,000	6.45
1983	42,420,000	5.43

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend.

Income Account *
(000's)

Year ended	8/29/87	8/30/86
Net sales	$ 871,156	$ 861,630
Cost of sales	640,646	632,040
Expenses	201,147	199,292
Interest expense	6,196	7,362
Interest income	(1,475)	(1,728)
Income bef. taxes	$ 24,642	$ 24,664
Income taxes	11,174	11,444
Net income	$ 13,468	$ 13,220

* Income in Costs and Expenses, Depreciation and Amortization: $11,940,000 in 1987 and $10,549,000 in 1986.

Assets
(000's)

As of	8/29/87	8/30/86
Cash	$ 29,863	$ 34,445
Accts. recev., net	7,157	5,313
*Inventories	72,557	71,115
Prepaid expense	2,808	1,831
Deferred inc. taxes	4,991	4,888
Current Assets	$ 117,376	$ 117,592
#Fixed assets	94,880	87,373
Other assets	512	614
Total Assets	$ 212,768	$ 205,579

Liabilities
(000's)

Long-term debt, curr.	$ 3,085	$ 4,570
Accts. payable	41,876	42,121
Accrued profit-sharing	7,405	8,157
Accrued taxes	22,210	21,921
Income taxes	—	2,531
Liab. for stamp redemp.	5,194	4,987
Curr. Liabilities	$ 79,770	$ 84,287
Long-term debt & cap. lease oblig.	28,010	30,964
Deferred inc. taxes	13,018	11,823
+Common stock	81	71
Add. paid-in capital	39,568	16,580
Retained earnings	54,570	64,103
Treasury stock	(2,249)	(2,249)
Total Liabilities & Shareholders' Equity	$ 212,768	$ 205,579

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	2.83	2.86
%Net Income to Sales	1.55	1.53
%Net Income to Equity	14.64	16.84
Sales to Inventories	12.01	12.12
Debt to Equity	0.30	0.45
Working Capital	$ 37,606,000	$ 33,305,000
Current Ratio	1.47	1.40
Shareholders' Equity	$ 91,970,000	$ 78,505,000

Big V Supermarkets, Inc.

176 North Main Street
Florida, New York 10921
(914) 651-4411

(Became a privately held corporation via a leveraged buyout in October 1987.)

Officers: William Rosenberg, chairman of the board; A. Richard Rosenberg, president & chief executive officer; Gary S. Koppele, sr. v.p.-administration, treasurer & chief financial officer; David G. Bronstein, president & chief operating officer; E. J. Fox, v.p.-industrial relations; Cornelius J. J. Madera, Jr., sr. v.p.-corp. development, secretary & general counsel; Richard Rantala, v.p.-merchandising; John W. Beisel, Jr., v.p.-operations.

Directors: William Rosenberg, chairman; A. Richard Rosenberg, Walter H. Weiner, Charles Bloom, L. Frederick Polakoff, Joseph N. Hankin, David G. Bronstein.

Business Activities: Operates a chain of 32 supermarkets under the "ShopRite" name, primarily in the Hudson River Valley, New York State, area.

Number of Stores:

1986	32	1983	31
1985	32	1982	31
1984	32		

Sales & Earnings

	Net Sales	Net Income
1986	$ 587,600,794	$ 6,139,085
1985	560,627,710	5,739,784
1984	542,808,153	1,855,628
1983	525,764,394	5,511,843
1982	516,881,065	7,302,390

	No. of Com. Shares ‡	Earn. Per Share ‡
1986	5,862,389	$ 1.05
1985	5,404,697	1.06
1984	5,446,610	0.34
1983	5,465,418	1.01
1982	5,492,167	1.33

‡ Based on the averag[illegible] number of comm[illegible]s and common share equivalents outstanding adjustest to reflect stock dividend and stock split.

Common Stock

	Cash Dividend+	Stock Dividend	Stock Split
1986	$ 0.70	—	—
1985	0.40	—	—
1984	0.40	—	—
1983	0.35	20%	—
1982	0.25	—	3-for-2

+ Adjusted to reflect stock dividend and stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1986	$ 57,736,175	$ 9.85
1985	42,754,575	7.91
1984	38,991,327	7.16
1983	39,960,067	7.31
1982	36,362,715	6.62

‡ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend and stock split.

Big V Supermarkets, Inc.

Income Account

Year ended	12/27/86	12/28/85
Net sales	$ 587,600,794	$ 560,627,710
Cost of sales	463,542,989	444,629,285
Expenses	101,068,555	95,729,879
Depreciation & amortization	8,381,418	7,264,009
Interest expense	2,450,747	2,154,753
Income before taxes	$ 12,157,085	$ 10,849,784
Income taxes	6,018,000	5,110,000
Net Income	$ 6,139,085	$ 5,739,784

Assets

As of	12/27/86	12/28/85
Cash	$ 4,965,562	$ 5,217,083
Cert. of deposit	6,196,181	5,794,088
*Inventories	17,519,475	17,592,418
Prepaid expenses	1,351,365	1,620,712
Other receiv.	2,853,480	4,063,807
Current Assets	$ 32,886,063	$ 34,288,108
Investment	6,103,574	6,023,362
#Fixed assets	85,694,293	68,233,455
Other assets	1,747,149	1,576,319
Total Assets	$ 127,131,079	$ 110,121,244

Liabilities

Long-term debt, curr.	$ 2,058,996	$ 1,613,802
Cap. lease oblig., curr.	133,353	189,025
Accts. payable	19,192,796	21,466,274
Accruals	4,883,395	5,327,013
Income taxes	712,357	1,436,378
Curr. Liabilities	$ 26,980,897	$ 30,032,492
Long-term debt	33,203,678	30,808,336
Cap. lease oblig.	3,424,937	1,363,346
Deferred inc. taxes	5,785,392	5,162,495
+Common stock:		
Class A	366,658	565,269
Class B	283,611	—
Add. paid-in capital	33,249,970	22,426,737
Retained earnings	26,189,119	22,373,657
Treasury stock	(1,887,831)	(1,887,831)
Deferred compensation	(465,352)	(723,257)
Total Liabilities & Shareholders' Equity	$ 127,131,079	$ 110,121,244

* At cost (LIFO).
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	2.07	1.94
%Net Income to Sales	1.04	1.02
%Net Income to Equity	10.63	13.42
Sales to Inventories	33.54	31.87
Debt to Equity	0.67	0.79
Working Capital	$ 5,905,166	$ 4,255,616
Current Ratio	1.22	1.14
Shareholders' Equity	$ 57,736,175	$ 42,754,575

Borman's, Inc.

18718 Borman Avenue
Detroit, Michigan 48228
(313) 270-1000

Mail address:
P.O. Box 33446
Detroit, Michigan 48232-5446

Officers: Paul Borman, president; Thomas V. Angott, exec. v.p.; Robert A. Peiser, sr. v.p.-finance & treasurer; Leonard Borman, secretary; James R. Smith, v.p.-personnel; Ray Rohr, controller; Ted J. Simon, v.p.-real estate.

Directors: Paul Borman, Thomas V. Angott, Leonard Borman, E. L. Koning, Grant C. Gentry, Ted J. Simon, Jack Levine, Robert A. Peiser, Robert E. Epstein.

Business Activities: Operates Farmer Jack supermarkets located in Detroit and environs; also owns the Detroit Pure Milk Company, a distributor of dairy products, and the Wesley's Quaker Maid Inc., a processor and distributor of ice cream products.

Subsidiaries:

Farmer Jack Supermarkets Division
18718 Borman Avenue
Detroit, Michigan 48228

Detroit Pure Milk Co.
18940 Weaver
Detroit, Michigan 48228

Wesley's Quaker Maid, Inc.
18940 Weaver
Detroit, Michigan 48228

Transfer Agent(s):

National Bank of Detroit
Detroit, Michigan

The Chase Manhattan Bank
New York, New York

Stock Exchange(s): New York

Ticker Symbol: BRF

Number of Stores: (at fiscal year end)

	Supermarkets	Convenience stores
1988	83	—
1987	83	—
1986	82	16
1985	85	16
1984	85	16

Sales & Earnings

	Net Sales +	Net Income ‡
1988	$ 1,028,255,000	$ (28,311,000)
1987*	1,072,998,000	11,048,000
1986	987,188,000	7,338,000
1985	1,025,920,000	(1,119,000)
1984	996,236,000	(10,915,000)

	No. of Com. Shares	Earn. per Share ‡ #
1988	2,808,404	$ —
1987*	2,807,393	3.27
1986	2,803,404	2.62
1985	2,803,404	—
1984	2,800,729	—

(Loss)
* 53 weeks.
+ Of continuing operations only.
‡ Including extraordinary gains of $2,910,000 ($1.04 per share) in 1987 and $2,380,000 ($0.85 per share) in 1986.
# Based on the average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity per Share
1988	$ 10,110,320	$ 3.60
1987	38,782,535	13.81
1986	30,135,166	10.75
1985	22,797,009	8.13
1984	23,900,749	8.53

Income Account *

Year ended	1/30/88	1/31/87
Net sales	$ 1,028,254,713	$ 1,072,998,137
Cost of sales	773,830,356	805,503,682
Expenses	246,738,498	252,301,371
Loss on invest.	13,307,078	—
Cost of employee benefit	12,912,000	—
Interest expense	5,922,519	918,983
Interest on oblig. under cap. leases	3,855,602	3,226,461
Inc. (loss) bef. taxes	$ (28,311,340)	$ 11,047,640
Income taxes (credit)	(230,000)	4,790,000
Net Income (Loss)	$ (28,081,340)	$ 6,257,640
Extraord. gain	—	2,910,000
Net Income (Loss) & extraord. gain	$ (28,081,340)	$ 9,167,640

* Included in Costs and Expenses, Depreciation and Amortization: $7,208,028 in 1988 and $6,426,364 in 1987.

Assets

As of	1/30/88	1/31/87
Cash	$ 3,462,962	$ 7,900,164
Receiv., net	11,504,647	12,083,636
Recov. income taxes	7,600,000	—
*Inventories	57,223,343	57,009,601
Prepaid expenses	9,666,111	10,010,068
Investment	36,866,002	—
Current Assets	$ 126,323,065	$ 87,003,469
#Fixed assets	57,906,834	69,679,633
Defer. charges & other assets	6,240,304	7,310,544
Prop. under cap. leases	38,906,662	31,408,079
Total Assets	$ 229,376,865	$ 175,401,725

Liabilities

Long-term debt, curr.	$ 27,905,959	$ 853,809
Accts. payable	52,279,908	45,176,426
Accruals	36,172,907	34,753,336
Oblig. under cap. leases, curr.	2,160,910	1,617,139
Curr. Liabilities	$ 118,519,684	$ 82,400,710
Long-term debt	47,741,070	8,503,332
Oblig. under cap. leases	40,636,905	32,923,812
Est. self insurance	9,716,000	10,023,000
Other liab.	2,652,886	2,766,336
+Common stock	2,184,888	3,018,942
+Class B stock	834,054	—
Add. paid-in capital	7,973,517	7,973,517
Retained earnings	627,363	29,299,578
Treasury stock	(1,309,502)	(1,309,502)
Total Liabilities & Shareholders' Equity	$ 229,376,865	$ 175,401,725

* At lower of cost (LIFO; perishables at average cost or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	1.03
%Net Income to Sales	—	0.58
%Net Income to equity	—	16.14
Sales to Inventories	1.97	18.82
Debt to Equity	11.72	1.13
Working Capital	$ 7,803,381	$ 4,602,759
Current Ratio	1.07	1.05
Shareholders' Equity	$ 10,110,320	$ 38,782,535

Boys Markets, Inc.

5331 Monte Vista Street
Los Angeles, California 90042
(213) 258-8080

(Acquired by American Bruco Corporation, a private company, on April 4, 1988.)

Officers: Peter J. Sodini, president & chief exec. officer; George G. Golleher, sr. v.p.-finance & administration & chief financial officer; Harry W. Morter, sr. v.p.-marketing; Vincent Polimeno, sr. v.p.-operations; Patrick Barber, v.p. & secretary; James L. Pike, v.p.-human resources.

Directors: Peter J. Sodini, Bradcord M. Freeman, Steven J. Gilbert, C. L. Peschenino, Will Richeson, Jr., Richard J. Riordan, Ronald P. Spogli.

Business Activities: Operates 46 supermarkets in the greater Los Angeles metropolitan area under the name "Boys Markets." Also operates one drug store.

Transfer Agent(s):

U.S. Stock Transfer Corporation

Stock Exchange(s): Over-the-Counter

Ticker Symbol: BOYS (NASDAQ)

Number of Stores: (at fiscal year end)

1986	47

Sales & Earnings

	Net Sales	Net Income
1987*	$ 113,651,000	$ 2,122,000
1986 #	373,836,000	6,211,000

	No. of Com. Shares	Earn. per Share
1987*	9,200,000	$ 0.22
1986 #	9,200,000	0.65

* 12 weeks.
\# 40 weeks.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	—	—	—
1986	—	—	11.5-for-1

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	$ 15,783,000	$ 1.72
1986	13,661,000	1.48

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *

Year ended	3/22/87+ (12 weeks)	12/28/86 (40 weeks)
Net sales	$ 113,651,000	$ 373,836,000
Cost of sales	80,109,000	264,312,000
Expenses	29,811,000	95,876,000
Interest expense	2,295,000	5,745,000
Other income	(1,482,000)	(1,412,000)
Income before taxes	$ 2,918,000	$ 9,315,000
Income taxes	796,000	3,104,000
Net income	$ 2,122,000	$ 6,211,000

* Included in Costs and Expenses, Depreciation and Amortization: $1,214,000 in 1987 and $3,892,000 in 1986.
\+ Unaudited.

Assets

As of	3/22/87	12/28/86 †
Cash	$ 9,572,000	$ 9,626,000
Trade receivables	2,716,000	2,778,000
Notes receivable	1,370,000	2,082,000
Note receiv.-rel. party	30,000,000	30,000,000
Other receivables	1,665,000	1,133,000
*Inventories	33,642,000	34,998,000
Prepaid expenses	1,464,000	1,288,000
Deposits with suppliers	1,800,000	1,752,000
Current Assets	$ 82,229,000	$ 83,657,000
#Fixed assets	86,370,000	83,160,000
Investments	8,498,000	8,397,000
Liquor licenses	755,000	753,000
Deferred tax benefit	1,485,000	1,645,000
Other assets	1,261,000	1,317,000
Total Assets	$ 180,598,000	$ 178,929,000

Liabilities

Long-term debt, curr.	$ 1,022,000	$ 1,073,000
Other debt, curr.	30,000,000	30,000,000
Cap. lease oblig., curr.	1,034,000	1,034,000
Accounts payable	28,263,000	28,434,000
Accruals	20,826,000	19,122,000
Income taxes	3,634,000	5,424,000
Curr. Liabilities	$ 84,779,000	$ 85,087,000
Revolving credit facil.	30,008,000	31,298,000
Long-term debt	11,559,000	11,779,000
Cap. lease oblig.	26,515,000	24,709,000
Amts. pay. to former stockholders	2,801,000	2,801,000
Liab. for self-insurance	7,153,000	7,594,000
+Redeem. preferred stock	2,000,000	2,000,000
+Common stock	92,000	92,000
Add. paid-in capital	7,908,000	7,908,000
Stockholder notes receiv.	(550,000)	(550,000)
Retained earnings	8,333,000	8,311,000
Total Liabilities & Shareholders' Equity	$ 180,598,000	$ 178,929,000

† Unaudited.
* At lower of cost (LIFO) or market.
\# Less accumulated depreciation and amortization.
\+ $0.01 par value.

Statistical Summary

% Income bef. Taxes to Sales	2.57	2.49
% Net Income to Sales	1.87	1.66
% Net Income to Equity	13.44	45.47
Sales to Investories	3.38	10.68
Shareholders' Equity	$ 15,783,000	$ 13,661,000

Brendle's Incorporated

1919 North Bridge Street
Elkin, North Carolina 28621
(919) 526-5600

Officers: Douglas D. Brendle, chairman of the board, president & chief executive officer; S. Floyd Brendle, exec. v.p.; William F. Cosby, sr. v.p.; Jeffrey D. Mick, v.p. & chief financial officer; James S. Overstreet, v.p.-operations; David R. Renegar, secretary & controller.

Directors: Douglas D. Brendle, S. Floyd Brendle, William F. Cosby, Patty Ivrendle Redway, John D. Gray, James B. Edwards, Thomas H. Davis.

Business Activities: Operates 42 discount retail stores in Georgia, North Carolina, South Carolina, Tennessee and Virginia. These stores offer a broad assortment of jewelry and other hard goods.

Transfer Agent(s):

Wachovia Bank and Trust Company, N.A.
Winston-Salem, North Carolina

Stock Exchange(s): Over-the-Counter

Ticker Symbol: BRDL (NASDAQ)

Number of Stores:

1988	42

Sales & Earnings

	Net Sales	Net Income †
1987	$ 228,155,000	$ 3,882,000
1986	210,850,000	7,209,000
1985	183,572,000	6,649,000
1984	146,826,000	8,836,000
1983	125,549,000	5,198,000

	No. of Com. Shares ‡	Earn. per Share † ‡
1987	8,332,000	$ 0.47
1986	7,996,000	0.90
1985	7,102,000	0.94
1984	7,283,000	1.21
1983	7,299,000	0.71

† Including extraordinary gain of $3,500,000 ($0.48 per share) in 1984.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	$ 64,888,000	$ 7.79
1986	63,454,000	7.94
1985	35,225,000	4.96
1984	28,576,000	3.92
1983	20,760,000	2.84

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account
(000's)

Year ended Jan. 31	1988	1987
Net sales	$ 228,155	$ 210,850
Cost of sales	165,404	150,644
Expenses	47,210	39,664
Depreciation & amortization	4,875	3,850
Interest expense: cap. leases	2,762	3,150
Other	1,122	479
Income before taxes	$ 6,782	$ 13,063
Income taxes	2,900	5,854
Net income	$ 3,882	$ 7,209

Assets
(000's)

As of Jan. 31	1988	1987
Cash & temp. cash invest.	$ 3,767	$ 167
Marketable securities	2,542	7,604
Accts. receiv., net	1,137	1,132
*Inventories	73,492	60,583
Prepaid expenses	528	1,179
Current Assets	$ 81,466	$ 70,665
#Fixed assets	40,263	37,202
Other assets	993	921
Defer. inc. taxes	255	165
Total Assets	$ 122,977	$ 108,953

Brendle's Incorporated

Liabilities
(000's)

Notes payable	$ 10,000	$ —
Long-term debt, curr.	865	918
Accts. payable	26,791	20,676
Accrued compensation	917	654
Other accruals	2,867	2,195
Income taxes	2,835	3,905
Curr. Liabilities	$ 44,275	$ 28,34*
Long-term debt	13,219	17,151
Deferred credit	595	—
+Common stock	8,377	8,377
Add. paid-in capital	19,745	19,745
Retained earnings	38,619	35,332
Treasury stock	(1,853)	—
Total Liabilities & Shareholders' Equity	$ 122,977	$ 108,953

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	2.97	6.20
%Net Income to Sales	1.70	3.42
%Net Income to Equity	5.98	11.36
Sales to Inventories	3.10	3.48
Debt to Equity	0.37	0.28
Working Capital	$ 37,191,000	$ 42,317,000
Current Ratio	1.84	2.49
Shareholders' Equity	$ 64,888,000	$ 63,454,000

Brown Group, Inc.

P.O. Box 29
8400 Maryland Avenue
St. Louis, Missouri 63166
(314) 854-4000

Officers: B. A. Bridgewater, Jr., chairman of the board & chief executive officer; Richard L. Anderson, president; Harry E. Rich, sr. v.p. & chief financial officer; Robert D. Pickle, v.p., corp. secretary & general counsel; William S. Frederick, v.p. & controller; J. J. Cramer, v.p. & pres.-Brown Group International; Douglas W. Walrod, v.p.-real estate; Robert D. Gibbs, v.p.-distribution; Donald G. Leonard, v.p.-management information systems; David L. Bowman, v.p.-public affairs; Andrew M. Rosen, treasurer.

Directors: W. L. Hadley Griffin*, Warren McK. Shapleigh*, Monte E. Shomaker, Richard W. Shomaker*, B. A. Bridgewater, Jr.*, Daniel R. Toll, William E. Maritz, Harry E. Rich*, Joan F. Lane, Richard L. Anderson*, Joseph L. Bower, Morton I. Sosland.

* Member of the Executive Committee

Business Activities: Manufactures, markets and retails a wide range of brand name, nationally advertising footwear for women, men and children. Also operates leased retail shoe departments in department stores and company-owned shoe stores, retail fabric stores, family fashion stores, retail linen stores and cosmetic/accessories retail outlets.

Subsidiaries:

Footwear

Brown Shoe Company
8300 Maryland Avenue
St. Louis, Missouri 63105
Manufactures and distributes footwear.

Brown Shoe Co. of Canada, Ltd.
1857 Rogers Road
Perth, Ontario K7H 3E3 Canada
Manufactures and distributes footwear.

Wohl Shoe Company
8350 Maryland Avenue
St. Louis, Missouri 63105
Operates leased shoe departments and shoe stores.

Pagoda Trading Company, Inc.
1950 Craig Road
St. Louis, Missouri 63146

Specialty Retailing

Cloth World
8500 Maryland Avenue
St. Louis, Missouri 63105
Operates 306 retail fabric stores.

Meis Family Fashion Stores
2901 Ohio Boulevard
Terre Haute, Indiana 47803
Operates 10 family fashion stores.

Linen Center
8500 Maryland Avenue
St. Louis, Missouri 63105
Operates 35 stores featuring off-price branded merchandise for the bath and bedroom.

Etage
120 South Columbus Avenue
Mt. Vernon, New York 10553
Operates 15 stores which engage in the retail sale of beauty products, jewelry and fashion accessories to young women.

Transfer Agent and Registrars:

Morgan Shareholder Services Trust Company
30 West Broadway
New York, New York 10015

Centerre Trust Company of St. Louis
510 Locust Street
St. Louis, Missouri 63101

Stock Exchange(s): New York, Midwest

Ticker Symbol: BG

Number of Stores* (at fiscal year end)

1987	4,213	1984	4,416
1986	4,168	1983	4,337
1985	4,324		

* Includes company-owned stores, leased departments, and independently owned affiliates.

Sales & Earnings x

	Net Sales + (000's)	Net Income (000's)
1987	$ 1,678,378	$ 46,853
1986	1,406,527	39,503
1985	1,406,215	51,573
1984*	1,429,540	36,446
1983	1,381,780	70,127

	No. of Com. Shares ‡	Earn. per Share ‡
1987	17,831,000	$ 2.63
1986	18,269,000	2.16
1985	19,497,000	2.65
1984*	20,300,000	1.80
1983	20,878,000	3.36

* 53 weeks.
x Restated to reflect change in fiscal year.
+ Of continuing operations only.
‡ Based on the weighted average number of shares outstanding.

Revenues by Line of Business
(000's)

	1987	1986
Footwear	$ 1,341,055	$ 1,066,270
Specialty retailing	337,323	340,257
Total	$ 1,678,378	$ 1,406,527

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	$ 1.52	—	—
1986	1.46	—	—
1985	1.38	—	—
1984	1.30	—	—
1983	1.12	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1987	$ 355,001,000	$ 20.33
1986	353,089,000	19.63
1985	374,729,000	19.87
1984	390,708,000	19.43
1983	394,693,000	19.23

Income Account *
(000's)

Year ended	1/30/88	1/31/87
Net sales	$ 1,678,378	$ 1,406,527
Cost of sales	1,031,660	816,059
Expenses	565,332	514,796
Interest expense	12,613	11,421
Sundry income	(5,283)	(5,264)
Income bef. taxes	$ 74,056	$ 69,515
Income taxes	27,203	30,012
Net Income	$ 46,853	$ 39,503

* Included in Costs and Expenses, Depreciation and Amortization: $27,281,000 in 1987 and $26,247,000 in 1986.

Assets
(000's)

As of	1/30/88	1/31/87
Cash & cash invest.	$ 21,453	$ 59,538
Accts. receiv., net	133,547	135,648
*Inventories	324,779	291,945
Prepaid exp. & other assets	24,342	23,368
Current Assets	$ 504,121	$ 510,499
#Fixed assets	142,858	127,754
Other assets	36,894	39,056
Total Assets	$ 683,873	$ 677,309

Liabilities
(000's)

Notes payable	$ 20,073	$ 3,365
Long-term debt, curr.	3,969	14,106
Accts. payable	79,512	78,208
Accruals	36,601	36,716
Employee compensation and benefits	40,868	32,592
Income taxes	6,780	11,770
Curr. Liabilities	$ 187,803	$ 176,757
Long-term debt & cap. leases	120,442	125,838
Deferred compensation plans	10,934	12,681
Deferred inc. tax	9,693	8,924
+Common stock	65,467	67,449
Add. paid-in capital	18,118	18,148
Retained earnings	271,972	269,197
Cumulative trans. adjustment	(356)	(1,705)
Total Liabilities & Shareholders' Equity	$ 683,873	$ 677,309

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $3.75 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.41	4.94
%Net Income to Sales	2.79	2.81
%Net Income to Equity	13.20	11.19
Sales to Inventories	5.17	4.82
Debt to Equity	0.41	0.41
Working Capital	$ 316,318,000	$ 333,742,000
Current Ratio	2.68	2.89
Shareholders' Equity	$ 355,001,000	$ 353,089,000

Burlington Coat Factory Warehouse Corporation

Route 130
Burlington, New Jersey 08016
(609) 386-3314

Officers: Monroe G. Milstein, chairman, president & chief exec. officer; Henrietta Milstein, v.p.-children's wear & secretary; Stephen E. Milstein, v.p.-men's wear; Mark A. Nesci, v.p.-store operations; Robert L. LaPenta, Jr., corp. controller & chief accounting officer; Norman Ross, v.p. & gen. merchandise mgr.; Elisabeth Stout, treasurer.

Directors: Monroe G. Milstein, chairman; Henrietta Milstein, Andrew Milstein, Henry Benach, Harvey Morgan, J. M. Long, N. C. Adams, R. M. Long, I. W. Rowland, Samuel B. Stewart, Ronald A. Plomgren, D. E. McHenry, R. A. Scott, T. R. Sweeney, S. D. Roath, W. G. Comba, E. E. Johnston.

Business Activities: Operates a chain of off-price apparel stores specializing in outerwear, in 32 states.

Transfer Agent(s):

American Stock Transfer Co.
99 Wall Street
New York, New York 10005

Stock Exchange(s): New York

Ticker Symbol: BCF

Number of Stores: (at fiscal year end)

1987	658	1984	1,098
1986	698	1983	1,157
1985	1,088		

Number of Stores:
(at fiscal year end)

1987	107	1985	74
1986	87		

Sales and Earnings

	Revenues	Net Income
1987	$ 490,595,000	$ 20,262,000
1986	391,608,000	17,326,000
1985	352,060,000	16,088,000
1984	309,719,000	16,524,000
1983	220,365,000	12,004,000

	No. of Com. Shares ‡	Earn. per Share ‡
1987	11,748,673	$ 1.73
1986	11,717,939	1.48
1985	11,700,150	1.38
1984	11,700,000	1.41
1983	N.A.	1.12

N.A. - Not Available.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1987	1986
Grocery & gen. merch.	$ 115,266,017	$ 87,357,154
Gasoline	105,849,166	123,813,989
Total	$ 221,115,183	$ 211,171,143

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	—	—	—
1986	—	—	3-for-2
1985	—	—	—
1984	—	—	2,900-for-1

+ Adjusted to reflect stock dividend.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	$ 150,830,000	$ 12.84
1986	130,060,000	11.10
1985	112,120,000	9.58
1984	96,028,000	8.21
1983	79,504,000	—

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account
(000's)

Year ended	10/31/87	11/1/86
Net sales	$ 480,718	$ 381,792
Other income	9,877	9,816
Total income	490,595	391,608
Cost of sales	321,100	253,244
Expenses	128,075	101,193
Depreciation & amortization	4,865	3,457
Interest expense	967	774
Income before taxes	$ 35,588	$ 32,940
Income taxes	15,326	15,614
Net Income	$ 20,262	$ 17,326

Assets
(000's)

As of	10/31/87	11/1/86
Cash & short-term invest.	$ 16,020	$ 40,540
Accts. receiv., net	3,265	3,354
* Inventories	196,500	148,851
Prepaid expenses	3,265	5,398
Current Assets	$ 219,050	$ 198,143
# Fixed assets	70,241	35,011
Restricted bond fund	1,802	10,502
Other assets	1,458	1,071
Total Assets	$ 292,551	$ 244,727

Liabilities
(000's)

Long-term debt. curr.	$ 739	$ 341
Accts. payable	107,682	82,997
Other current liabilities	14,056	15,278
Other Liabilities	$ 122,477	$ 98,616
Long-term debt	6,782,707	2,836,221
Deferred inc. taxes	3,294	2,481
+ Common stock	11,761	11,731
Add. paid-in stock	43,845	43,367
Retained earnings	95,224	74,962
Total Liabilities & Shareholders' Equity	$ 292,551	$ 244,727

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	7.40	8.63
%Net Income to Sales	4.21	4.54
%Net Income to Equity	13.43	13.32
Sales to Inventories	2.45	2.56
Debt to Equity	0.11	0.11
Working Capital	$ 96,573,000	$ 99,527,000
Current Ratio	1.79	2.01
Shareholders' Equity	$ 150,830,000	$ 130,060,000

Businessland Inc.

1001 Ridder Park Drive
San Jose, California 95131
(408) 437-4164

Officers: David A. Norman, chairman, president & chief exec. officer; Enzo N. Torresi, vice chairman; Ronald J. Brown, sr. v.p.-marketing & sales; James A. Heisch, sr. v.p.-finance & corp. operations & chief financial officer; Beverly K. Aoki, v.p.-training & technical services; Suzanne M. Crocker, v.p.-corp. communications; Arthur W. Dana, v.p.-information services; Murray L. Dennis, v.p.-sales; Robin J. Ferrari, v.p.-business operations; Joe H. Harmon, v.p.-marketing; Edmund A. Kelliher, v.p. & controller; Brian Leeland, v.p.-product marketing; F. Brooks McChesney, v.p., general counsel & corp. secretary; Robert R. Nadal, Jr., v.p.-sales operations; N. Martin Nielson, v.p.-distribution operations; Danny K. Paul, v.p.-international; Joseph B. Scarantino, v.p.-service; Walter L. Schiff, v.p.-business development & government programs; Bruce R. Smith, v.p.-central region.

Directors: David A. Norman, chairman; Enzo N. Torresi, Michael G. Berolzheimer, Neill H. Brownstein, David W. Hanna, Michael D. Kaufman.

Areas of Work: Operates 94 computer retail-and-service centers in 46 major metropolitan areas in 33 states.

Subsidiaries:

Morris Decision Systems, Inc.
Operates three computer retail centers in the northeastern U.S.

AmeriSource, Inc.
Operates a chain of computer retail centers primarily in the midwestern and southern U.S.

Transfer Agent(s):

Bank of America, N.T. & S.A.

Stock Exchange(s): New York

Ticker Symbol: BLI

Number of Stores:

1987	94

Sales & Earnings

	Net Sales	Net Income †
1987	$ 600,039,000	$ 8,370,000
1986	404,300,000	4,772,000
1985	267,446,000	239,000
1984	89,641,000	(4,766,000)
1983	10,105,000	(1,181,000)

	No. of Com. Shares ‡	Earn. per Share † ‡
1987	24,861,000	$ 0.34
1986	22,935,000	0.21
1985	22,731,000	0.01
1984	14,064,000	—
1983	3,580,000	—

(Loss)
† Including extraordinary gains of $2,070,000 ($0.09 per share) in 1986 and $195,000 ($0.01 per share) in 1985.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	$ 96,974,000	$ 3.90
1986	85,449,000	3.73
1985	67,684,000	2.98
1984	67,112,000	4.77
1983	22,363,000	6.25

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended June 30	1987	1986
Net sales	$ 600,039	$ 404,300
Cost of sales	425,977	288,156
Expenses	156,273	107,688
Interest expense	5,227	3,421
Interest income	(1,555)	(359)
Income before taxes	$ 14,117	$ 5,394
Income taxes	5,747	2,692
Net Income	$ 8,370	$ 2,702
Extraord. gain	—	2,070
Net Income & extraord. gain	$ 8,370	$ 4,772

* Included in Costs and Expenses, Depreciation and Amortization: $6,529,000 in 1987 and $6,051,000 in 1986.

Assets
(000's)

As of June 30	1987	1986
Cash	$ 70,116	$ 16,973
Accts. receiv., net	93,736	70,999
Other receivables	9,680	9,897
*Inventories	75,781	76,615
Prepaid expenses	1,245	2,037
Current Assets	$ 250,558	$ 176,521
#Fixed assets	33,196	28,235
Other assets	13,417	6,363
Total Assets	$ 299,171	$ 211,119

Liabilities
(000's)

Accts. payable	$ 80,055	$ 65,069
Accruals	17,612	11,351
Income taxes	2,333	—
Deferred income	8,922	5,827
Curr. Liabilities	$ 108,922	$ 82,247
Convert. subord. debes.	90,249	40,250
Deferred inc. taxes	581	—
Other liabilities	2,445	3,173
+Common stock	90,122	87,047
Retained earnings (deficit)	7,422	(948)
Notes receiv. from stockholders	(570)	(650)
Total Liabilities & Shareholders' Equity	$ 299,171	$ 211,119

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	2.35	1.33
%Net Income to Sale	1.39	0.67
%Net Income to Equity	8.63	3.16
Sales to Inventories	7.92	5.28
Working Capital	$ 141,636,000	$ 94,274,000
Current Ratio	1.29	2.15
Shareholders' Equity	$ 96,974,000	$ 85,449,000

Cache, Inc.

1460 Broadway, 16th Floor
New York, New York 10036
(212) 840-4242

Officers: Roy Chapman, chairman of the board & chief executive officer; Norman Polonofsky, president; Roy Smith, v.p.-store operations; Mae Soo Hoo, v.p.-merchandising; Algis Spokavicius, v.p.-merchandising.

Directors: Roy Chapman, chairman of the board; Andrew M. Saul, Joseph E. Saul.

Business Activities: Operates 30 women's apparel specialty stores under the name Cache in 14 states and the District of Columbia.

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CACH (NASDAQ)

Number of Stores: (at fiscal year end)

1986 ..... 30 1985 34

Sales & Earnings

	Net Sales	Net Income †
1986	$ 16,169,000	$ (4,269,000)
1985	18,254,000	(1,957,000)
1984	15,335,000	(1,655,000)
1983	11,090,000	402,000
1982	7,039,000	42,000

	No. of Com. Shares ‡	Earn. per Share ‡
1986	7,797,000	$ —
1985	5,375,000	—
1984	4,508,000	—
1983	4,400,000	0.09
1982	4,400,000	0.01

(Loss)
† Including extraordinary gain of $2,217,000 in 1987.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1986	$ —	—	—
1985	—	—	—
1984	—	—	—
1983	—	10%	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1986	$ 77,000	$ 0.01
1985	2,527,000	0.47
1984	2,303,000	0.49
1983	2,858,000	0.65
1982	2,455,000	0.56

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend.

Income Account *

Year ended	1/3/87	12/28/85
Net sales	$ 16,169,000	$ 18,254,000
Cost of sales	13,023,000	12,068,000
Operating expenses	4,246,000	4,223,000
Expenses	5,386,000	3,920,000
Net Loss	$ (6,486,000)	$ (1,957,000)
Extraord. gain	2,217,000	—
Net Loss & extraord. gain	$ (4,269,000)	$ (1,957,000)

* Included in Costs and Expenses, Depreciation and Amortization: $578,000 in 1986 and $436,000 in 1985.

Assets

As of	1/3/87	12/28/85
Cash	$ 1,922,000	$ 891,000
Acct. receiv., net	272,000	822,000
*Inventories	644,000	3,818,000
Prepaid expenses	152,000	298,000
Current Assets	$ 2,990,000	$ 5,829,000
#Fixed assets	2,189,000	2,487,000
Other assets	145,000	228,000
Total Assets	$ 5,324,000	$ 8,544,000

Liabilities

Cap. lease oblig., curr.	$ —	$ 97,000
Accts. payable	209,000	1,053,000
Accruals	1,657,000	872,000
Curr. Liabilities	$ 1,866,000	$ 2,022,000
Long-term debt	—	3,233,000
Cap. lease oblig.	—	387,000
Convert. note payable	3,000,000	—
Subord. notes payable	381,000	375,000
+Common stock	126,000	77,000
Add. paid-in capital	7,773,000	6,003,000
Retained earnings (deficit)	(7,822,000)	(3,353,000)
Total Liabilities & Shareholders' Equity	$ 5,324,000	$ 8,544,000

* At lower of average cost or market.
# Less accumulated depreciation and amortization.
+ 0.01 par value.

Statistical Summary

Sales to Inventories	25.11	4.78
Debt to Equity	—	1.47
Working Capital	$ 1,124,000	$ 3,807,000
Current Ratio	1.60	2.88
Shareholders' Equity	$ 77,000	$ 2,527,000

Campeau Corporation

320 Bay Street, 5th Floor
Toronto, Ontario, M5H 2P2, Canada
(416) 868-6460

Officers: Robert Campeau, chairman of the board & chief executive officer; David King, deputy chairman; James T. Roddy, president & chief operating officer; Roger D. Ashton, sr. v.p.-finance & chief financial officer; Paul Campbell, sr. v.p.-eastern region; Alan W. Kennedy, sr. v.p., general counsel & secretary; Carolyn Buck Luce, sr. v.p.-corp. finance; Jean Martineau, sr. v.p.-national capital region; Terrence D. Partington, sr. v.p.-Urban Group, western region; Ronald Tysoe, sr. v.p.-corp. development; Paul B. Temple, v.p. & asst. treasurer; Roland Villemaire, v.p.-accounting; David Warren, v.p.-corp. marketing.

Directors: Robert Campeau, chairman; Ilse Campeau, Daniel Campeau, William J. Carroll, Edward J. DeBartolo, Sr., Robert Despres, Allen Finkelson, George C. Hitchman, David King, Francois Mercier, James T. Roddy, Ronald Tysoe, J. Roy Weir, Jeannine G. Wood.

Business Activities: Through its two major subsidiaries, Allied Stores Corporation and Federated Department Stores, Inc., each of which was recently acquired, the Company operates 487 department stores, supermarkets, and specialty stores in the U.S.

Subsidiaries:*

Allied Stores Corporation
(Acquired on October 31, 1986).
7 West Seventh Street
Cincinnati, Ohio 45202
(513) 579-7000

Jordan Marsh
Boston, Massachusetts
Operates 25 department stores, primarily in New England.

Stern's
New Jersey
Operates 27 department stores in New Jersey and New York.

Maas Brothers
Tampa, Florida
Operates 38 department stores, primarily in Florida.

The Bon
Seattle, Washington
Operates 40 department stores in the Pacific Northwest.

Ann Taylor
(To be sold by Campeau)
New York, New York
Operates 91 women's retail clothing stores throughout the U.S.

Federated Department Stores, Inc.
(Acquired in May 1988)
7 West Seventh Street
Cinannati, Ohio 45202
(513) 579-7000

Abraham & Straus
420 Fulton Street
Brooklyn, New York 11202
(718) 802-8500
Operates 15 full-line department stores in New York and New Jersey.

Bloomingdale's
1000 Third Avenue
New York, New York 10022
(212) 705-2000
Operates 17 upscale department stores on the East Coast and in Texas.

Burdines
22 East Flagler Street
Miami, Florida 33132
305) 835-5151
Operates 29 department stores in Florida.

Goldsmith's
123 South Main Street
Memphis, Tennessee 38143
(901) 529-4545
Operates six department stores in Tennessee.

Lazarus
Seventh & Race Streets
Cinannati, Ohio 45202
(513) 369-7000
Operates 44 department stores in Ohio, Indiana, Kentucky and West Virginia.

Ralph's
(To be sold by Campeau)
P.O. Box 54143
Los Angeles, California 90054
(213) 637-1101
Operates 129 supermarkets, under the Giant name and others, in southern California.

Rich's
45 Broad Street S.W.
Atlanta, Georgia 30302
(404) 586-4200
Operates 20 department stores in Georgia, South Carolina, and Alabama.

* Subsidiaries include only Company's planned continuing operations unless otherwise noted.

Transfer Agent(s):

National Trust Company
Halifax, Montreal, Toronto, Winnipeg, Regina, Calgary, Vancouver, Canada.

Stock Exchange(s): Toronto, Montreal, Over-the-Counter (U.S.)

Ticker Symbol: CMP* (Toronto and Montreal); CMAFC* (NASDAQ)

Number of Stores:

1988 487

Sales & Earnings x

	Net Sales +	Net Income +
1987#	$ 3,530,000,000	$ (203,000,000)
1986	977,000,000	61,000,000
1985	156,000,000	24,000,000
1984	160,000,000	21,000,000
1983	146,000,000	17,000,000

	No. of Com. Shares	Earn. per Share ‡
1987#	44,314,882	$ —
1986	38,684,082	0.10
1985	38,395,708	0.50
1984	38,384,006	N.A.

(Loss)
N.A. Not Available.
x - In U.S. dollars.
13 months.
+ Of continuing operations only.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1987	1986
Merchandising	$ 3,263,000	$ 786,000,000
Rental	220,000,000	156,000,000
Real estate sales	47,000,000	35,000,000
Total	$ 3,530,000,000	$ 977,000,000

Common Stock

	Cash Dividend+	Stock Dividend	Stock Split
1987	$ 0.12	—	—
1986	0.08	—	—
1985	0.07	—	—

+ In Canadian dollars.

Common Stock Equity

	Total Equity †	Equity Per Share
1987	$ (7,000,000)	$ —
1986	141,000,000	3.64

(Deficiency)
† After allowing for preferred stock at stated values.

Income Account
(000's)

Year ended	1/31/88 (13 months)	12/31/86
Revenue:		
Merchandising	$ 3,263,000	$ 786,000
Real estate	267,000	191,000
Total income	$ 3,530,000	$ 977,000
Cost of sales	2,111,000	481,000
Real estate	148,000	81,000
Expenses	861,000	166,000
Depreciation & amortization	133,000	27,000
Interest expense	495,000	92,000
Gain on sale of prop.	(8,000)	(9,000)
Income (loss) before taxes	$ (210,000)	$ 139,000
Income taxes (credit)	(37,000)	78,000
Minority interest	30,000	—
Inc. (loss)-cont. oper.	$ (203,000)	$ 61,000
Loss-discont. oper.	(51,000)	(51,000)
Net Income (Loss)	$ (254,000)	$ 10,000

Assets
(000's)

As of	1/31/88	12/31/86
Cash	$ 19,000	$ 302,000
Accts. receiv., net	803,000	801,000
*Inventories	513,000	438,000
Current Assets	$ 1,335,000	$ 1,541,000
#Fixed assets	940,000	996,000
Rental properties	1,171,000	858,000
Develop. properties	336,000	356,000
Other assets and deferred charges	308,000	261,000
Intangibles	1,175,000	977,000
Assets for sale	46,000	1,320,000
Discont. real est. assets	435,000	327,000
Total Assets	$ 5,746,000	$ 7,036,000

Liabilities
(000's)

Short-term debt	$ 983,000	$ 2,382,000
Accts. payable	429,000	328,000
Accts. payable	262,000	140,000
Income taxes	28,000	94,000
Curr. Liabilities	$ 1,702,000	$ 2,944,000
Long-term debt	3,447,000	3,780,000
Conv. subord. deben.	144,000	—
Minority interest	280,000	—
Deferred inc. taxes	79,000	64,000
+Retractable preference stock	101,000	107,000
++Subordinate voting stock	165,000	59,000
Retained earnings (deficit)	(176,000)	93,000
For. curr. trans.	4,000	(11,000)
Total Liabilities & Shareholders' Equity	$ 5,746,000	$ 7,036,000

* At lower of cost (FIFO) or net realizable value.
# Less accumulated depreciation and amortization.
+ No par value; Series A, 7% cumulative, Series B, 8% cumulative, Series C, 8.74% cumulative, Series D, 9% cumulative.
++ No par value.

Statistical Summary

Sales to Inventories	6.36	1.79
Debt to Equity	0.05	0.02
Shareholders' Equity	$ 94,000,000	$ 248,000,000

Canadian Tire Corporation, Limited

2180 Yonge Street
P.O. Box 770, Station K
Toronto, Ontario, M4P 2V8, Canada
(416) 480-0300

Officers: H.L. Macaulay, chairman of the board & chief exec. officer; Dean Groussman, president & chief executive officer; Peter Lige, exec. v.p.-dealer relations; Clive Minto, exec. v.p.-diversified businesses; James B. Williams, exec.

Canadian Tire Corporation, Limited

v.p.-finance & administration & chief financial officer; S.J. Bochen, v.p.-distribution; Douglas N. Neuman, v.p. & treasurer; D.A. Hicks, v.p.-real estate & construction; W.H. Hicks, v.p.-human resources; R. Law, secretary & general counsel; A.B. Malcolm, v.p.-petroleum marketing; Howard E. Board, v.p. & controller; W. Rae Cowan, v.p.-marketing; Alan B. Goddard, v.p.-corporate affairs; V.H. Mikkelsen, v.p.-management information services; C.D. Smith, asst. treasurer.

Directors: M. Gardiner-Billes, A.W. Billes, D.G. Billes, Pierre Cote, Hugh L. Macaulay, Bruce A. Sally, A.J. Billes, Steve W. Groch, Dean Grousmaan, Lynne Hall, Maureen J. Sabia, William S. Deluce, W. Lawrence Hussey, Donald C. Lowe, Ronald Y. Oberlander.

Business Activities: Operates gas stations and tire and auto accessory retail outlets in Canada.

Divisions and Subsidiaries:

Canadian Tire Acceptance Limited
176 King Street
Welland, Ontario L3B 5S3, Canada

Cantire Products Limited
35 Fieldway Road
Toronto, Ontario M8Z 3L4, Canada

Cantire (Far East) Limited

Transfer Agent(s):

Montreal Trust Company of Canada
Toronto, Halifax, Vancouver, Montreal and Calgary

Stock Exchange(s): Montreal, Toronto

Ticker Symbol: CTR and CTR.A

Number of Stores: (at fiscal year end)

	Associate Stores	Gasoline Stations
1987	404	132
1986	401	118
1985	396	115
1984	384	109
1983	375	99

Sales & Earnings
(000's)

	Gross Operating Revenues	Net Income ‡
1987	$ 2,483,822	$ 98,826
1986*	2,326,002	89,282
1985	2,077,742	(101,662)
1984	1,877,707	28,672
1983	1,701,585	49,395

	No. of Com. Shares #	Earn. per Share ‡ #
1987	89,627,905	$ 1.10
1986*	87,061,591	1.03
1985	84,085,317	—
1984	80,928,991	0.35
1983	74,648,562	0.66

(Loss)
* 53 weeks.
‡ Including extraordinary gains of $1,437,000 ($0.02 per share) in 1986, $668,000 in 1984, $1,595,000 ($0.02 per share) in 1983 and extraordinary loss of $142,492 in 1985.
# Based on the weighted average number of class A and common shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend #	Stock Dividend	Stock Split
1987	$ 0.02	—	—
1986	0.20	—	—
1985	0.20	—	—
1984	0.20	—	—
1983	0.20	—	5-for-1

Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	$ 724,336,000	$ 7.99
1986	605,373,000	6.88
1985	501,324,000	5.88
1984	588,479,000	7.20
1983	554,116,000	6.96

‡ Adjusted to reflect stock split.

Income Account
(000's)

Year ended Dec 31	1987	1986
Gross oper. rev.	$ 2,483,822	$ 2,326,002
Cost of sales & expenses	2,218,480	2,085,805
Depreciation & amortization	27,289	24,138
Prof. sh. plan	14,512	13,057
Interest expense	38,994	43,004
Other income	(14,977)	(12,639)
Income before taxes	$ 199,524	$ 172,637
Income taxes	100,698	84,792
Net Income	$ 98,826	$ 87,845
Extraord. items	—	1,437
Net Income & extraord. items	$ 98,826	$ 89,282

Assets
(000's)

As of Dec. 31	1987	1986
Cash	$ 170,960	$ 153,249
Accts. & loans receiv., net	156,860	149,946
*Inventories	317,618	294,017
Prepaid expenses	9,172	7,312
Acceptance company	314,003	292,402
Current Assets	$ 968,613	$ 896,926
Investments	22,984	16,101
#Fixed assets	438,022	379,247
Other assets	890	3,953
Total Assets	$ 1,430,509	$ 1,296,227

Liabilities
(000's)

Bank indebtedness	$ 9,274	$ 13,890
Accts. payable	205,414	163,003
Dividends payable	4,570	4,435
Accruals	123,213	111,985
Inc. taxes payable	14,541	18,013
Long-term debt, curr.	44,921	32,588
Non-consol. subsid.	8,739	9,960
Acceptance corp.	104,733	96,183
Curr. Liabilities	$ 517,789	$ 452,790
Long-term debt	185,678	235,295
Deferred inc. debt	2,706	2,769
+Class A Non-voting Shares	303,710	266,732
+Common shares	179	179
For. curr. trans. adj.	129	(1,228)
Retained earnings	420,497	339,690
Total Liabilities & Shareholders' Equity	$ 1,430,509	$ 1,296,227

* At lower of cost (FIFO) or estimated net realizable value.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

%Income bef. taxes to Gross Oper. Rev.	8.03	7.42
%Net Income to Gross Oper. Rev.	3.98	3.78
%Net Income to Equity	13.64	14.51
Debt to Equity	0.27	0.41
Working Capital	$ 450,824,000	$ 444,136,000
Current Ratio	1.87	1.98
Shareholders' Equity	$ 724,336,000	$ 605,373,000

Carson Pirie Scott & Company

36 South Wabash Avenue
Chicago, Illinois 60603
(312) 641-8000

Officers: Peter S. Willmott, chairman of the board, president & chief executive officer; Dennis S. Bookshester, vice chairman & chief executive officer-Department Stores; Susan T. Congalton, sr. v.p.-finance & law; Bruce R. Rismiller, sr. v.p.-customer satisfaction; Leo J. Dembinski, division president-CPS Direct Marketing, Inc.; H. Lynn Hazlett, division president-Information and Communication Systems, Inc.; Russell H. Miller, division president-Arcadia Shops, Inc.; Barry J. C. Parket, division president-County Seat Stores, Inc.; Neil A. Ramo, division president-Department Stores.

Directors: Gregson L. Barker *, Robert L. Scott, III *, Benjamin D. Williams, III, John C. Archibald *, William C. Musham *, J. Scott Welles *, John Dern, Jr., Carroll E. Ebert, Peter S. Willmott *, Dennis S. Bookshester *, Patricia A. McFate, Francis T. Vincent.

* Member of the Executive Committee

Business Activities: Engaged in department store and specialty retailing and mail order catalog sales.

Divisions and Subsidiaries:

Information and Communication Systems, Inc.
Applies computer technology to the Company's retail operations.

CPS Direct Marketing Inc.
Phoenix, Arizona
Mail-order catalogs.

County Seat Stores, Inc.
Operates 338 casual wear retail stores in 35 states.

Carson Pirie Scott
Operates 19 department stores in Illinois and Indiana.

Arcadia Shops, Inc.
Operates 21 specialty retail stores which sell novelty gifts, stationery and paper products, in Illinois, Indiana, and Wisconsin.

Acquisition:

Donaldsons, Inc.
Minneapolis, Minnesota
Operates 15 Donaldson department stores in Minnesota and Iowa.

Transfer Agent(s):

The First National Bank of Chicago
Shareholders Services Department
One First National Plaza
Chicago, Illinois 60670

Stock Exchange(s): New York, Midwest

Ticker Symbol: CRN

Number of Stores* (at fiscal year end)

1987	34	1984	21
1986	20	1983	24
1985	20		

* Department stores only.

Sales & Earnings

	Revenues †	Net Income
1988	$ 958,568,000	$ (26,695,000)
1987	788,357,000	18,722,000
1986	711,658,000	18,415,000
1985	598,134,000	27,174,000
1984	345,978,000	15,383,000

	No. of Com. Share #	Earn. per Share #
1988	10,905,000	$ —
1987	10,246,000	1.83
1986	9,919,000	1.86
1985	9,774,000	2.78
1984	8,728,000	1.59

(Loss)
† Includes leased departments.
# Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend #	Stock Dividend	Stock Split
1988	$ 0.375	—	—
1987	0.675	—	—
1986	0.60	—	2-for-1
1985	0.40	—	—
1984	0.60	—	—

Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share #
1988	$ 148,578,000	$ 13.62
1987	230,484,000	22.50
1986	211,807,000	21.35
1985	194,672,000	19.92
1984	171,792,000	19.68

Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Income Account *

Year ended	1/30/88	1/31/87
Revenues	$ 958,568,000	$ 788,357,000
Cost of sales	639,032,000	521,098,000
Expenses	286,640,000	247,900,000
Interest expense	18,696,000	9,278,000
Income before taxes	$ 14,200,000	$ 10,081,000
Income taxes	4,775,000	3,117,000
Inc.-cont. oper.	$ 9,425,000	$ 6,964,000
Inc. (loss)-discont. oper.	(36,120,000)	11,758,000
Net Income (Loss)	$ (26,695,000)	$ 18,722,000

* Included in Costs and Expenses, Depreciation and Amortization: $22,700,000 in 1988 and $18,191,000 in 1987.

Assets

As of	1/30/88	1/31/87
Cash	$ 2,537,000	$ 2,308,000
Receiv., net	111,139,000	132,345,000
*Inventories	152,088,000	126,996,000
Prepaid expenses	20,590,000	13,599,000
Net assets-discont. oper.	35,785,000	75,244,000
Current Assets	$ 322,139,000	$ 350,492,000
#Fixed assets	227,215,000	139,864,000
Investments & other assets	25,467,000	17,153,000
Intangibles	80,746,000	14,895,000
Net assets-CPS	—	46,280,000
Total Assets	$ 655,567,000	$ 568,684,000

Liab

Notes payable	$ [illegible]	$ 38,400,000
Long-term debt, curr.	[illegible]000	7,351,000
Accts. payable	77,776,000	44,385,000
Accruals	93,500,000	43,961,000
Income taxes	22,026,000	20,508,000
Deferred inc. taxes	6,120,000	9,500,000
Curr. Liabilities	$ 208,290,000	$ 168,105,000
Long-term debt	241,130,000	104,772,000
Deferred inc. taxes	1,310,000	14,542,000
Deferred gain	33,701,000	36,609,000
Other liab.	12,850,000	14,172,000
Redeem. pref. stock	9,500,000	—
+Common stock	130,000	104,000
Add. paid-in capital	98,187,000	73,668,000
For. curr. trans. adjust.	—	(692,000)
Retained earnings	53,340,000	157,404,000
Stock purch. loans	(5,079,000)	—
Total Liabilities & Shareholders' Equity	$ 655,567,000	$ 568,684,000

* At lower of cost (LIFO & FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Net Income to Equity	—	8.12
Sales to Inventories	6.30	6.21
Debt to Equity	1.68	0.65
Working Capital	$ 113,841,000	$ 182,387,000
Current Ratio	1.55	2.08
Shareholders' Equity	$ 148,578,000	$ 230,484,000

Carter Hawley Hale Stores, Inc.

550 South Flower Street
Los Angeles, California 90071
(213) 620-0150

Officers: Waldo H. Burnside, president & chief operating officer; Phillip M. Hawley, chairman of the board & chief executive officer; Loyd E. Ellis, exec. v.p.; John M. Gailys, exec. v.p. and chief financial officer; Brian L. Fleming, sr. v.p.; Larry O. Petersen, sr. v.p.; Edwin J. Holman, sr. v.p.; Paul F. Chevalier, sr. v.p.; Thomas E. Brown, v.p.; E. J. Caldecott, v.p.; Theodore J. Cotti, v.p.; E. Harlin Smith, v.p.; Edward A. Wolfe, v.p.; Arthur G. Coons, v.p.; J. Scott Meyer, sr. v.p.; D. Clair Brumbaugh, v.p.; William E. Dombrowski, v.p.; Robert J. Gilmartin, v.p.; Serena S. Kokjer, v.p.; Joel E. Montgomery, v.p.; Dale G. Thune, v.p.; Walter W. Tuthill, v.p.; John F. Busey, v.p. & treasurer; James L. Vandeberg, secretary & corporate counsel.

Directors: Norman Barker Jr.*, Edward W. Carter*, Prentis C. Hale, Phillip M. Hawley*, Walter B. Gerken*, William B. Thalhimer, Jr.*, Benjamin F. Biaggini, Donn B. Miller*, Robert O. Anderson, Harold J. Haynes, Waldo H. Burnside*, Caroline Leonetti Ahmanson, Myron DuBain Thalhimer, Jr.*.

* Member of the Executive Committee

Business Activities: The Company operates 112 department stores. Its five department store divisions are The Broadway-Southern California, The Broadway-Southwest, Emporium Capwell, and Weinstock's in California, Arizona, New Mexico, Colorado, Utah, and Nevada; and Thalhimer's in Virginia, Tennessee, So. Carolina, and No. Carolina.

Divisions and Subsidiaries:

The Broadway-Southern California
3880 North Mission Road
Los Angeles, California 90031
(213) 227-2000

The Broadway-Southwest
4000 Fiesta Mall
Mesa, Arizona 85202
(602) 263-7000

Weinstock's
Downtown Plaza
Sacramento, California 95813
(916) 449-8888

Emporium Capwell
835 Market Street
San Francisco, California 94103
(415) 764-2222

Thalhimers
615 East Broad Street
Richmond, Virginia 23261
(804) 643-4211

Transfer Agent(s):

Security Pacific National Bank
Corporate Services Division 2-70
P.O. Box 60273, Terminal Annex
Los Angeles, California 90060

Stock Exchange(s): New York, Pacific, London

Ticker Symbol: CHH

Number of Stores:

	Dept. Stores	Specialty Stores
1987	112	—
1986	114	188
1985	128	156
1984	125	127
1983	249	100

Sales & Earnings

	Net Sales + (000's)	Net Income † (000's)
1987x	$ 1,164,338	$ (170,873)
1986	2,995,977	4,214
1985	2,889,950	48,025
1984*	2,749,910	89,670
1983	N.A.	67,485

	No. of Com. Shares	Earn. per Share # †
1987x	20,367,375	$ —
1986	20,042,519	—
1985	19,559,000	0.92
1984*	19,067,000	2.75
1983	35,341,000	1.93

(Loss)
N.A. - Not Available.
x 26 weeks.
* 53 weeks.
+ Of continuing operations only.
† Including extraordinary loss of $29,253,000 in 1986.
# Based on the weighted average number of common shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	$ 0.305	—	—
1986	1.22	—	—
1985	1.22	—	—
1984	1.22	—	—
1983	1.22	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1987	$ 145,772,000	$ 7.16
1986	324,207,000	16.18
1985	359,354,000	18.37
1984	348,166,000	18.26
1983	751,599,000 ‡	21.27

‡ After allowing for preferred stock at involuntary liquidation preference value of $45 per share.

Income Account * (000's)

Year Ended	8/1/87 (26 weeks)	1/31/87
Net sales	$ 1,164,338	$ 2,995,977
Cost of sales	919,764	2,168,653
Expenses	349,185	685,680
Interest expense	28,134	82,915
Loss on sale of John Wanamaker	4,000	2,200
Costs of restruc. prog.	38,850	25,000
Income (loss) bef. taxes	$ (175,595)	$ 31,529
Income taxes (credit)	(68,300)	26,500
Inc. (loss)-cont. oper.	$ (107,295)	$ 5,029
Inc. (loss)-discont. oper.	(63,578)	42,586
Net Income (Loss)	$ (170,873)	$ 47,615
Extraord. loss	—	(29,253)
Cum. effect of change in accounting method	—	(14,148)
Net Income (Loss) and extraord. loss	$ (170,873)	$ 4,214

* Included in Costs and Expenses, Depreciation and Amortization: $24,311,000 in 1987 and $55,285,000 in 1986.

Assets (000's)

As of	8/1/87	1/31/87
Cash	$ 14,861	$ 13,015
Accts. receiv., net	397,210	248,750
*Inventories	432,866	497,924
Deferred inc. taxes	12,258	—
Other curr. assets	28,847	26,732
Current Assets	$ 886,042	$ 786,421
Investments	47,647	45,068
#Fixed assets	902,083	537,092
Other assets	33,428	23,813
Net assets-specialty store div	350,438	286,226
Total Assets	$ 1,819,638	$ 1,678,620

Liabilities (000's)

Long-term debt, curr.	$ 6,342	$ 54,839
Accts. payable	219,721	210,439
Accruals	219,340	141,632
Dividends payable	—	6,283
Pay. to fin. subsid.	83,050	—
Income taxes	12,119	7,521
Deferred inc. taxes	—	86,965
Curr. Liabilities	$ 540,572	$ 507,679
Long-term debt	590,606	348,238
Cap. lease oblig.	112,042	119,783
Other liab.	42,217	38,169
Def. inc. taxes	88,429	40,544
Redeem pref. stock	300,000	300,000
+Common stock	101,837	100,213
Add. paid-in capital	174,404	162,435
Retained earnings (deficit)	(130,469)	61,559
Total Liabilities & Shareholders' Equity	$ 1,819,638	$ 1,678,620

* At lower of cost or market as determined by the retail method as it is determined on the LIFO basis.
# Less accumulated depreciation and amortization.
+ $5 par value.

Statistical Summary

%Net Income to Equity	—	1.30
Sales to Inventories	2.69	6.02
Debt to Equity	4.86	1.61
Working Capital	$ 345,470,000	$ 278,742,000
Current Ratio	1.64	1.55
Shareholders' Equity	$ 145,772,000	$ 324,207,000

Casey's General Stores, Inc.

1299 N.E. Broadway Avenue
Des Moines, Iowa 50313
(515) 263-3700

Officers: Donald F. Lamberti, president; Walter J. Carlson, secretary-treasurer; Ronald M. Lamb, v.p..

Directors: Walter J. Carlson, Ronald M. Lamb, George A. Doerner, Donald F. Lamberti, John R. Fitzgibbon.

Business Activities: Operates convenience-style general stores under the name "Casey's General Store" in eight Midwestern states, primarily Iowa and Missouri. Of the 597 Casey's General Stores in operation, 380 are owned or leased by the Company and 217 are owned or leased by franchisees.

Transfer Agent(s):

United Missouri Bank of Kansas City, N.A.
Corporate Trust Division
P.O. Box 226
Kansas City, Missouri 64141

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CASY (NASDAQ)

Number of Stores:*

1987 ..... 380 1986 312

* Company-owned or leased.

Sales & Earnings

	Net Sales	Net Income †
1987	$ 283,892,000	$ 8,609,000
1986	280,275,000	6,249,000
1985	247,177,000	4,143,000
1984	216,774,000	2,347,000
1983	188,451,000	1,763,000

	No. of Com. Shares ‡	Earn. per Share ‡ †
1987	11,777,000	$ 0.73
1986	11,188,000	0.56
1985	9,165,000	0.45
1984	7,816,000	0.30
1983	6,600,000	0.27

† Including extraordinary gains of $70,000 ($0.01 per share) in 1984 and $145,000 ($0.02 per share) in 1983.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Revenues by Line of Business

	1987	1986
Grocery & gen. merch.	$ 115,266,017	$ 87,357,154
Gasoline	105,849,166	123,813,989
Total	$ 221,115,183	$ 211,171,143

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	—	—	—
1986	—	—	3-for-2
1985	—	—	—
1984	—	—	2,900-for-1

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	$ 56,883,000	$ 4.83
1986	47,752,000	4.27
1985	22,108,000	2.41
1984	17,180,000	2.20
1983	4,891,000	0.74

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Income Account

Year ended Apr. 30	1987	1986
Net sales	$ 283,891,823	$ 280,274,453
Franchise revenue	4,600,824	4,447,001
Total income	$ 288,492,647	$ 284,721,454
Cost of sales	224,177,278	237,734,753
Expenses	40,254,598	30,887,791
Depreciation & amortization	5,888,031	4,460,845
Interest expense	1,170,050	812,406
Income before taxes	$ 17,002,690	$ 10,825,659
Income taxes	8,394,000	4,577,000
Net income	$ 8,608,690	$ 6,248,659

Assets

As of Apr. 30	1987	1986
Cash & repurch. agrs.	$ 104,591	$ 846,553
Short-term invest.	27,194,159	—
Accts. receiv., net	1,497,275	1,399,294
*Inventories	13,747,311	11,634,209
Prepaid expenses	666,845	1,373,834
Current Assets	$ 43,210,181	$ 15,253,890
#Fixed assets	71,659,256	55,130,522
Other assets	3,530,892	1,706,503
Total Assets	$ 118,400,329	$ 72,090,915

Liabilities

Long-term debt, curr.	$ 670,014	$ 800,126
Accts. payable	10,033,203	11,143,072
Accruals	2,043,142	1,651,879
Income taxes	889,085	298,355
Curr. Liabilities	$ 13,635,444	$ 13,893,412
Long-term debt	42,687,446	6,954,913
Deferred income	566,000	438,558
Deferred inc. taxes	4,531,000	2,925,000
Deferred gain on sale	97,430	127,164
+Common stock	30,712,398	30,189,947
Retained earnings	26,170,611	17,561,921
Total Liabilities & Shareholders' Equity	$ 118,400,329	$ 72,090,915

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	3.99	3.76
%Net Income to Sales	3.03	2.23
%Net Income to Equity	15.13	13.09
Sales to Inventories	20.65	24.09
Debt to Equity	0.76	0.16
Working Capital	$ 29,574,737	$ 1,360,478
Current Ratio	3.17	1.10
Shareholders' Equity	$ 56,883,009	$ 47,751,868

The Cato Corporation

8100 Denmark Road
Charlotte, North Carolina 28217
(704) 554-8510

Mailing address:
P.O. Box 34216
Charlotte, North Carolina 28234

Officers: Wayland H. Cato, Jr., chairman & president; Edgar T. Cato, vice chairman; James W. Emry, exec. v.p.-merchandise; John W. DeStefano, exec. v.p.-stores; David T. Cloer, sr. v.p.-finance & treasurer; Joseph T. Cotner, sr. v.p.-real estate; Hubert H. Thomason, secretary; Clarice C. Goodyear, sr. v.p.-administration; John P. Derham Cato, v.p.-apparel services.

Directors: Wayland H. Cato, Jr., chairman; Edgar T. Cato, Clarice C. Goodyear, John P. Derham Cato, George S. Currin, F. Kenneth Iverson, James V. Johnson, Larrimore Wright.

Business Activities: Operates 515 women's specialty stores featuring popular priced women's apparel for the fashion conscious junior, missy and large size customer, in non-metropolitan markets in 26 states, primarily in the South and Southwest.

Transfer Agent(s):

First Union National Bank
Securities Transfer Department CMG-5
Charlotte, North Carolina 28288

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CACOA (NASDAQ)

Number of Stores: (at fiscal year end)

1988	515	1985	385
1987	471	1984	360
1986	427		

Sales & Earnings

	Revenues +	Net Income †
1987	$ 207,937,000	$ 2,174,000
1986	185,698,000	8,047,000
1985	157,265,000	6,827,000
1984	130,788,000	5,662,000
1983	112,939,000	4,583,000

	No. of Com. Shares #	Earn. per Share † ‡
1987	9,067,000	$ 0.15
1986	14,253,000	0.57
1985	14,380,000	0.48
1984	14,373,000	0.39
1983	14,602,000	0.32

+ Of continuing operations only.
† Including extraordinary loss of $473,000 ($0.03 per share) in 1987.
# Adjusted to reflect stock split.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	$ 0.06	—	—
1986	—	—	30-for-1

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	$ 42,793,000	$ 4.72
1986	35,231,000	2.47
1985	29,310,000	2.04
1984	22,709,000	1.58
1983	17,489,000	1.20

‡ Adjusted to reflect stock split.

Income Account
(000's)

Year ended	1/30/88	1/31/87
Net sales	197,124	175,135
Other income	10,813	10,563
Total income	$ 207,937	$ 185,698
Cost of sales	134,704	109,465
Expenses	65,921	56,481
Depreciation & amortization	3,244	2,073
Interest expense	2,806	1,845
Income before taxes	$ 1,262	$ 15,834
Income taxes	521	7,314
Net Income	$ 741	$ 8,520
Extraord. loss	—	(473)
Cum. effect of change in accounting method	1,433	—
Net Income & extraord. loss	$ 2,174	$ 8,047

Assets
(000's)

As of	1/30/88	1/31/87
Cash	$ 4,253	$ 18,067
Accts. receiv., net	26,705	19,640
Refund inc. taxes	3,117	—
*Inventories	27,775	24,196
Prepaid expenses	2,319	2,377
Current Assets	$ 64,169	$ 64,280
#Fixed assets	35,830	22,354
Other assets	2,638	2,852
Total Assets	$ 102,637	$ 89,486

Liabilities
(000's)

Accts. payable	$ 16,180	$ 15,129
Accruals	2,075	3,556
Income taxes	743	4,591
Curr. Liabilities	$ 18,998	$ 23,276
Long-term debt	34,000	25,000
Deferred inc. taxes	6,274	5,249
Other liabilities	572	730
+Class A common stock	503	666
+Class B common stock	186	—
Add. paid in capital	10,550	3,122
Retained earnings	38,431	37,148
Treasury stock	(6,877)	(5,705)
Total Liabilities & Shareholders' Equity	$ 102,637	$ 89,486

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.03 1/3 par value.

Statistical Summary

%Income bef. Taxes to Sales	0.64	9.04
%Net Income to Sales	0.38	4.86
%Net Income to Equity	1.73	24.18
Sales to INventories	7.10	7.24
Debt to Equity	0.79	0.71
Working Capital	$ 45,171,000	$ 41,004,000
Current Ratio	3.38	2.76
Shareholders' Equity	$ 42,793,000	$ 35,231,000

Champion Products Inc.

3141 Monroe Avenue
Rochester, New York 14618
(716) 385-3200

Mailing address:
P. O. Box 850
Rochester, New York 14603

Officers: John J. Tanis, chairman; Roger Holland, president & chief exec. officer; Harold S. Feinbloom, sr. v.p.; Donald R. Sherman, sr. v.p. & chief financial officer; Fred W. Z. Lulof, v.p. & gen. mgr.-retail & international; Robert J. Powell, secretary & general counsel; Ambrose J. Paridon, v.p. & gen. mgr.-athletic & institutional; Thomas D. Sheehy, v.p.-operations; John F. Hackett, v.p.-human resources & treasurer; Kenneth R. Knight, v.p.-corporate services; William J. Woodard, controller.

Directors: Angelo A. Costanza, Harold S. Feinbloom *, Robert Van Buren, Sanford J. Liebschutz, John J. Tanis *, John M. Emery, Roger Holland *.

* Member of the Executive Committee

Business Activities: Operates a chain of factory outlet stores located in New York, Massachusetts and Oregon. Engaged in the production, processing, and distribution of athletic uniforms, physical education wear, campus casual wear, camp wear, and leisure wear.

Subsidiary:

Champion Outerwear Company
Fitzgerald, Georgia
An apparel manufacturing company specializing in jackets and outerwear.

Joint Venture:

Champion Products, GmbH
(50%-owned)
Munich, West Germany
Operates a chain of franchised Champion Shops in West Germany.

Transfer Agent(s):

Chase Lincoln First Bank, N.A.
One Lincoln First Square
Rochester, New York 14643

Stock Exchange(s): American

Ticker Symbol: CH

Number of Stores: (at fiscal year end)

1987	23	1984	20
1986	20	1983	20
1985	20		

Sales & Earnings

	Net Sales	Net Income †
1987	$ 177,545,000	$ 6,961,000
1986	141,008,000	4,932,000
1985	118,414,000	2,363,000
1984	112,483,000	1,660,000
1983	105,897,000	1,820,000

Champion Products Inc.

	No. of Com. Shares †	Earn. per Share †‡
1987	3,412,033	$ 2.05
1986	3,381,344	1.47
1985	3,338,660	0.72
1984	3,278,702	0.51
1983	3,275,042	0.54

† Including extraordinary gain of $213,000 ($0.07 per share) in 1984.
+ Adjusted to reflect stock split.
‡ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1987	$ 0.40	—	2-for-1
1986	0.36	—	—
1985	0.36	—	—
1984	0.36	—	—
1983	0.36	—	—

‡ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	$ 50,072,000	$ 14.68
1986	43,635,000	12.90
1985	39,129,000	11.72
1984	37,507,000	11.44
1983	37,007,000	11.30

‡ Adjusted to reflect stock split.

Income Account *

Year ended Dec. 31	1987	1986
Net sales	$ 177,545,000	$ 141,008,000
Cost of sales	130,124,000	104,601,000
Expenses	31,824,000	25,671,000
Interest expense	3,013,000	1,141,000
Income bef. taxes	$ 12,584,000	$ 9,595,000
Income taxes	5,623,000	4,663,000
Net Income	$ 6,961,000	$ 4,932,000

* Included in Costs and Expenses, Depreciation: $3,229,000 in 1987 and $2,059,000 in 1986.

Assets

As of Dec. 31	1987	1986
Cash	$ 5,423,000	$ 4,078,000
Accts. receiv., net	27,089,000	20,345,000
*Inventories	44,833,000	33,596,000
Other assets	1,614,000	1,372,000
Current Assets	$ 78,959,000	$ 59,391,000
#Fixed assets	24,496,000	21,277,000
Other assets	1,755,000	1,048,000
Total Assets	$ 105,210,000	$ 81,716,000

Liabilities

Long-term debt, curr.	$ 1,062,000	$ 1,859,000
Accts. payable	6,590,000	9,955,000
Notes payable	—	2,417,000
Accrued taxes	984,000	744,000
Accrued payroll	6,297,000	5,041,000
Other liabilities	4,025,000	3,401,000
Curr. Liabilities	$ 18,958,000	$ 23,417,000
Long-term debt	33,908,000	12,974,000
Def. inc. taxes	2,272,000	1,693,000
+Common stock	3,572,000	1,773,000
Add paid-in capital	11,580,000	12,572,000
Retained earnings	36,044,000	30,442,000
Treasury stock	(1,124,000)	(1,152,000)
Total Liabilities & Shareholders' Equity	$ 105,210,000	$ 81,716,000

* At lower of cost (LIFO) or market cost.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	7.09	6.80
%Net Income to Sales	3.92	3.50
%Net Income to Equity	13.90	11.30
Sales to Inventories	3.96	4.20
Debt to Equity	0.70	0.40
Working Capital	$ 60,001,000	$ 35,974,000
Current Ratio	4.16	2.54
Shareholders' Equity	$ 50,072,000	$ 43,635,000

Charming Shoppes, Inc.

450 Winks Lane
Bensalem, Pennsylvania 19020
(215) 245-9100

Officers: David V. Wachs, chairman of the board, chief exec. officer & secretary; Steven Sidewater, president & chief operating officer; Philip Wachs, vice chairman & exec. v.p.-real estate; Morris Sidewater, vice chairman; Arthur Sidewater, sr. exec. v.p.; Ellis Wachs, sr. exec. v.p.; Richard DeRose, exec. v.p.-store operations; Mordechay Kafry, exec. v.p.-merchandise procurement; Lionel Savadove, exec. v.p.; Samuel Sidewater, exec. v.p.-merchandising; Ivan Szeftel, exec. v.p.-finance; Herbert T. Vederman, exec. v.p.-merchandising; Bernard Brodsky, v.p., treasurer & asst. secretary; Howard Edels, v.p.-management information systems; Joseph Adriti, v.p.-store operations; Gerald Brahms, v.p.-store operations; Anthony DiCerbo, v.p.-store operations; Ben Mesto, v.p.-store operations; William Bilhardt, v.p.-human resources; Seymour Cohen, v.p.-store openings & expansions; Anthony DeSabato, v.p. & corp. dir.-human resources; John DeSanto, v.p.-design & construction; Manuel Ginsburg, v.p.-credit; Jonathon Graub, v.p.-real estate; David Hyman, v.p.-traffic logistics; Yvette A. Kaplan, v.p.-product development; Kathleen H. Lieberman, v.p. & associate general counsel; Robert Price, v.p.-facilities; Debra Ritter, v.p.-merchandise planning; Paul H. Robins, v.p.-purchasing; Eric M. Specter, v.p. & controller; Paul E. Toub, v.p.-advertising; Dominick J. Trapasso, v.p.-distribution; Michael Wachs, v.p.-real estate; Michael Wenger, v.p.-merchandising; Joy Wernick, v.p.-merchandising; Jeffrey Zelenko, v.p.-merchandising.

Directors: David V. Wachs, chairman; Steven Sidewater, Philip Wachs, Morris Sidewater, Arthur Sidewater, Ellis Wachs.

Business Activities: Operates a chain of women's specialty stores specializing in the retail sale of moderately priced junior, misses and women's size sportswear, dresses, coats, lingerie and accessories, primarily under the names Fashion Bug and Fashion Bug Plus, in 33 states throughout the East, South, and Midwest.

Transfer Agent(s):

Mellon Bank (East) N.A.
Pittsburgh, Pennsylvania

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CHRS (NASDAQ)

Number of Stores: (at fiscal year end)

1988	840	1985	444
1987	678	1984	362
1986	550		

Sales & Earnings

	Net Sales #	Net Income
1988	$ 642,064,000	$ 42,585,000
1987	525,157,000	40,469,000
1986	393,976,000	28,726,000
1985	299,262,000	20,226,000
1984	240,673,000	17,346,000

	No. of Com. Shares ‡	Earn. per Share ‡
1988	50,348,917	$ 0.85
1987	49,978,306	0.81
1986	48,753,382	0.59
1985	48,038,256	0.42
1984	47,295,347	0.37

Includes other income.
‡ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1988	$ 0.12	—	—
1987	0.10	—	3-for-2
1986	0.09	—	3-for-2
1985	0.08	—	3-for-2
1984	0.07	—	—

‡ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	$ 193,949,000	$ 3.85
1987	153,764,000	3.08
1986	115,487,000	2.37
1985	89,168,000	1.86
1984	71,980,000	1.52

‡ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Income Account *

	1/30/88	1/31/87
Net sales	$ 638,638,000	$ 521,234,000
Cost of sales	432,798,000	338,904,000
Expenses	139,742,000	110,993,000
Other income	(3,426,000)	(3,923,000)
Income before taxes	$ 69,524,000	$ 75,260,000
Income taxes	26,939,000	34,791,000
Net Income	$ 42,585,000	$ 40,469,000

* Included in Costs and Expenses, Depreciation and Amortization: $12,829,000 in 1988 and $8,678,000 in 1987.

Assets

As of	1/30/88	1/31/87
Cash and cert. of deposit	$ 33,433,000	$ 53,736,000
*Inventories	97,836,000	66,996,000
Other curr. assets	24,130,000	16,343,000
Current Assets	$ 155,399,000	$ 137,075,000
#Fixed assets	127,419,000	93,920,000
Long-term invest.	8,279,000	8,029,000
Total Assets	$ 291,097,000	$ 239,024,000

Liabilities

Accts. payable	$ 48,595,000	$ 38,207,000
Accruals	27,874,000	23,052,000
Income taxes	962,000	8,248,000
Current Liabilities	$ 77,431,000	$ 69,507,000

Long-term debt	2,091,000	2,134,000
Deferred taxes	17,626,000	13,619,000
+Common stock	5,029,000	5,015,000
Add. paid-in capital	20,643,000	17,320,000
Retained earnings	177,154,000	140,590,000
Deferred employee compensations	(8,266,000)	(8,268,000)
Notes receivable	(611,000)	(893,000)
Total Liabilities & Shareholders' Equity	$ 291,097,000	$ 237,346,000

* At lower of cost or market; by the retail method (average).
# Less accumulated depreciation & amortization.
+ $0.10 par value.
—

Statistical Summary

%Income bef. Taxes to Sales	10.89	14.44
%Net Income to Sales	6.67	7.76
%Net Income to Equity	21.96	26.32
Sales to Inventories	6.53	7.78
Debt to Equity	0.01	0.01
Working Capital	$ 77,968,000	$ 67,568,000
Current Ratio	2.01	2.00
Shareholders' Equity	$ 193,949,000	$ 153,764,000

The Cherokee Group

12544 Saticoy Street
North Hollywood, California 91605
(213) 875-1002

Officers: James P. Argyropoulos, chairman of the board & chief exec. officer; Robert Margolis, president & chief operating officer; Cary D. Cooper, exec. v.p.; Mark Taxe, pres.-Shoe Division; Terrance J. Smith, v.p. & chief financial officer; Jay L. Kester, marketing pres.-Apparel Division; Joe Gaspers, president-Licensing Division; Dan Zuckerman, secretary & exec. v.p.-Franchise Division; Grace Condos, pres.-Retail Division; Mel Matsui, pres.-Code Bleu.

Directors: James P. Argyropoulos, chairman; Robert Margolis, Arthur P. Argyris, Peter D. Tamny, Edwin W. Steidle, Cary D. Cooper.

Business Activities: Operates 11 retail stores and one outlet store in southern California under the name Cherokee. The Company has also franchised the operation of seven Cherokee stores in five eastern states. The vast majority of the apparel and footwear sold by the Cherokee stores is manufactured by the Company.

Divisions:

Apparel Division
Shoe Division
Licensing Division
Stores Division
Franchise Division
Code Bleu Division

Subsidiaries:

Cherokee Apparel Corporation
Cherokee Trading Corporation
Cherokee World Wide Corporation
Cherokee Franchising Corporation

Priority Finishing Corporation (81% owned)
Processes specialty textiles.

Acquisitions:

Chutes Corporation (80% owned)
Seattle, Washington
Imports and sells young men's, boys' and juniors' sportswear under the Code Bleu name.

Pallmark International
Imports and markets women's, children's and athletic shoes to major retailers.

Transfer Agent(s):

City National Bank
120 South Spalding Drive
Beverly Hills, California 90212

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CHKE (NASDAQ)

Number of Stores:* (at fiscal year end)

1987	12	1985	9
1986	9		

* Company-operated only.

Sales & Earnings

	Net Sales	Net Income †
1987	$ 139,631,000	$ 10,397,000
1986	104,001,000	6,792,000
1985	83,634,000	4,269,000
1984	72,413,000	3,059,000
1983	48,299,000	1,676,000

	No. of Com. Shares ‡	Earn. per Share † ‡
1987	12,47[illegible]	$ 0.83
1986	11,255,[illegible]	0.60
1985	11,374,092	0.38
1984	11,388,460	0.24
1983	8,028,152	0.21

† Including extraordinary gain of $323,000 ($0.03 per share) in 1984.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	—	—	—
1986	—	—	2-for-1 & 2-for-1

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	$ 71,372,000	$ 5.72
1986	26,645,000	2.37
1985	19,163,000	1.68
1984	15,354,000	1.35
1983	4,959,000	0.62

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Income Account* (000's)

Year ended	11/28/87	11/29/86
Net sales	$ 139,631	$ 104,001
Cost of sales	90,551	65,123
Expenses	30,362	23,535
Factoring commission & int. exp.	1,696	1,533
Interest income	(1,013)	—
Interest expense	169	—
Other income	(1,079)	(48)
Income bef. taxes	$ 18,947	$ 13,858
Income taxes	8,550	7,066
Net income	$ 10,397	$ 6,792

* Included in Costs and Expenses, Depreciation and Amortization: $1,283,000 in 1987 and $903,000 in 1986.

Assets (000's)

As of	11/28/87	11/29/86
Cash	$ 20,664	$ 896
Accts. receiv., net	28,303	22,690
*Inventories	25,273	18,065
Net invest.-direct fin. lease	326	304
Prepaid expenses	1,937	1,362
Current Assets	$ 76,503	$ 43,317
#Fixed assets	12,000	2,505
Net invest.-direct fin. lease	420	746
Other assets	1,222	1,182
Other investments	277	304
Intangibles	1,975	2,025
Total Assets	$ 92,417	$ 50,079

Liabilities (000's)

Bank loans	$ 3,635	$ 10,305
Long-term debt	467	280
Accts. payable & accruals	10,724	7,890
Income taxes	1,782	1,327
Deferred inc. taxes	1,006	—
Curr. Liabilities	$ 17,614	$ 19,802
Long-term debt	1,738	955
Deferred inc. taxes	1,524	2,677
Minority interest	169	—
+Common stock	42,266	8,036
Retained earnings	29,106	18,709
Deferred compensation	—	(100)
Total Liabilities & Shareholders' Equity	$ 92,417	$ 50,079

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	13.57	13.32
%Net Income to Sales	7.45	6.53
%Net Income to Equity	14.57	25.49
Sales to Inventories	5.52	5.76
Debt to Equity	0.08	0.43
Working Capital	$ 58,889,000	$ 23,515,000
Current Ratio	4.34	2.19
Shareholders' Equity	$ 71,372,000	$ 26,645,000

Child World, Inc.

25 Littlefield Street
Avon, Massachusetts 02322
(617) 588-7300

Officers: Dennis H. Barron, chairman of the board & chief executive officer; Richard J. Ryan, executive v.p. & chief financial officer; Thomas T. S. Kaung, sr. v.p.; Robert W. Antall, vice president; Larry E. Cook, vice president; Linda Goodman, vice president; Herbert J. Hodus, vice president; David J. Nance, vice president; John Nugent, vice president; Stanley R. Walsh, vice president; Cathy Wells, vice president; Tracy L. Burmeister, treasurer; John F. Downie, v.p. & clerk; .

Directors: Dennis H. Barron, chairman of the board; Jeffrey A. Cole, Thomas V. Bonoma, Hugh O. Farrington, Thomas H. Lee.

Business Activities: Operates 152 toy supermarkets under the names "Child World" and "Children's Palace" in 30 states. These stores offer a broad assortment of merchandise including toys, bicyles, learning aids, baby furniture, sporting goods and outdoor play equipment.

Transfer Agent(s):

Ameritrust Company, N.A.
Cleveland, Ohio 44101

Child World, Inc.

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CWLD (NASDAQ)

Number of Stores: (at fiscal year end)

1988	152	1985	104
1987	134	1984	90
1986	119		

NOTE: CNC Holding Corporation and its wholly-owned subsidiaries own approximately 81.5% of the outstanding stock of Child World, Inc. as of Jan. 31, 1988. Prior to Aug. 30, 1985, CNC owned all of the outstanding stock of the Company.

Sales & Earnings

	Net Sales	Net Income †
1988	$ 749,127,000	$ 14,339,000
1987	628,834,000	10,949,000
1986	513,148,000	9,368,000
1985† *	435,740,000	8,402,000
1984#	360,001,000	9,998,000

	No. of Com. Shares ‡	Earn. per Share ‡
1988	11,501,000	$ 1.00
1987	11,500,000	0.95
1986	10,286,000	0.91
1985† *	11,500,000	0.73

* 53 weeks.
† Pro forma. Gives effect to the acquisition as if it had occurred on Jan. 29, 1984.
# Predecessor company.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	$ 196,164,000	$ 17.06
1987	181,808,000	15.81
1986	170,859,000	16.61
1985	168,696,000	14.67

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account*
(000's)

Year ended	1/30/88	1/31/87
Net sales	$ 749,127	$ 628,834
Cost of sales	332,871	438,946
Expenses	176,289	148,282
Depreciation & amortization	12,706	11,355
Interest expense	6,154	5,176
Interest income	(1,358)	(937)
Income bef. taxes	$ 22,465	$ 26,012
Income taxes	10,979	15,063
Cum. effect of change in accntg. meth.	(2,853)	—
Net Income	$ 14,339	$ 10,949

Assets
(000's)

As of	1/30/88	1/31/87
Cash	$ 67,107	$ 43,467
Accts. receiv., net	1,716	1,685
*Inventories	208,961	178,837
Prepaid expenses	4,315	4,626
Current Assets	$ 282,099	$ 228,615
#Fixed assets	51,250	45,958
Leased prop. under cap. leases	25,772	28,875
Other assets	475	543
Intangibles	74,067	76,087
Total Assets	$ 433,663	$ 380,078

Liabilities
(000's)

Long-term debt., curr.	$ 400	$ 400
Cap. lease oblig., curr.	2,095	1,935
Accts. payable	172,416	129,440
Accruals	26,653	28,069
Income taxes	6,131	6,992
Curr. Liabilities	$ 207,695	$ 166,836
Long-term debt	5,100	5,500
Cap. lease oblig.	22,136	24,245
Deferred inc. taxes	2,568	1,689
+Common stock	1,150	1,150
Add. paid-in capital	158,798	158,781
Retained earnings	36,216	21,877
Total Liabilities & Shareholders' Equity	$ 433,663	$ 380,078

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	3.00	4.14
%Net Income to Sales	1.91	1.74
%Net Income to Equity	7.31	6.02
Sales to Inventories	3.59	3.52
Debt to Equity	0.15	0.18
Working Capital	$ 74,404,000	$ 61,779,000
Current Ratio	1.36	1.37
Shareholders' Equity	$ 196,164,000	$ 181,808,000

The Circle K Corporation

1601 North 7th Street
Phoenix, Arizona 85006
(602) 253-9600

Mailing address:
P.O. Box 52084
Phoenix, Arizona 85072-2084

Officers: Karl Eller, chairman of the board; Fred Hervey, vice chairman; Robert M. Reade, president; Ray Cox, sr. v.p.-corp. affairs; Larry J. Zine, sr. v.p.-finance & treasurer; William Remmers, sr. v.p.-international operations; Charles Shoemaker, sr. v.p.-human resources; Gehl Babinec, sr. v.p. & general counsel; Joel Sterrett, secretary.

Directors: Karl Eller, chairman; Fred T. Hervey, Herman R. Fenstermacher, Dean Guerin, William A. Franke, John P. Harbin, Carl H. Lindner, Keith E. Lindner, Robert M. Reade.

Business Activities: Operates a chain of convenience food stores engaged in the retail sale of general merchandise, fast foods, groceries, tobacco products, health and beauty aids, and self-service gasoline in 25 states, located primarily in the south and west. The Company also operates 104 stores in Great Britain and is involved in joint ventures or license agreements with companies that operate approximately 475 stores in five foreign countries.

Subsidiaries:

Shop & Go, Inc.
Mango, Florida
Operates 446 stores in Florida and Georgia.

Circle K UK, Inc.
Great Britain
Operates 104 convenience stores in Great Britain.

Transfer Agent(s):

Texas Commerce Bank El Paso N.A.
El Paso, Texas

Harris Trust Company of New York
New York, New York

Stock Exchange(s): New York

Ticker Symbol: CKP

Number of Stores:* (at fiscal year end)

1987	3,507	1984	2,185
1986	3,372	1983	1,211
1985	2,669		

* U.S.A. only.

Sales and Earnings x

	Net Sales ‡	Net Income
1987	$ 2,289,444,000	$ 49,430,000
1986	2,111,267,000	39,222,000
1985	1,682,164,000	33,673,000
1984	1,028,853,000	20,436,000
1983	747,844,000	15,756,000

	No. of Com. Shares #	Earn. per Share #
1987	49,184,843	$ 0.93
1986	41,376,454	0.85
1985	36,291,826	0.82
1984	33,896,058	0.56
1983	33,319,582	0.47

x Restated to reflect change in inventory valuation.
‡ Includes contracts operated stores.
# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend #	Stock Dividend	Stock Split
1987	$ 0.28	—	2-for-1
1986	0.25	—	3-for-2
1985	0.245	—	—
1984	0.245	—	—
1983	0.245	—	—

Adjusted to reflect stock splits.

Common Stock Equity x

	Total Equity	Equity Per Share #
1987	$ 310,013,000	$ 6.23
1986	200,102,000	4.66
1985	124,833,000	3.44
1984	93,535,000	2.69
1983	71,668,000	2.15

x Restated.
Adjusted to reflect stock splits.

Income Account
(000's)

Year ended April 30	1987	1986 ‡
Net sales	$ 2,289,444	$ 2,111,267
Other income	33,288	20,249
Total income	$ 2,322,732	$ 2,131,516
Cost of sales	1,649,496	1,551,538
Expenses	485,694	426,233
Depreciation	51,680	40,846
Interest expense	41,566	36,560
Income before taxes	$ 94,296	$ 69,603
Income taxes	44,866	30,381
Net Income	$ 49,430	$ 39,222

‡ Restated.

Assets
(000's)

As of April 30	1987	1986 ‡
Cash	$ 24,785	$ 19,911
Receivables, net	25,666	12,481
*Inventories	160,150	135,754
Prepaid inc. taxes	1,246	1,398
Prepaid expenses	6,147	6,079
Prop. held for sale	140,875	101,500
Current Assets	$ 358,869	$ 277,123
#Fixed assets	451,844	345,715
Promissory notes due from affil.	31,616	28,198
Intangibles	235,235	173,129
Other assets	58,936	31,633
Total Assets	$ 1,136,500	$ 855,798

Liabilities
(000's)

Due to banks	$ 10,000	$ 52,000
Long-term debt, curr.	8,026	4,582
Accts. payable	84,564	77,141
Accts. payable and accruals	51,995	35,347
Income taxes	868	6,982
Money orders sold	13,996	11,822
Curr. Liabilities	$ 169,449	$ 187,875
Long-term debt	536,616	382,936
Other liabilities	32,541	7,963
Def. inc. taxes	40,381	26,922
Redeem. pref. stock	47,500	50,000
+Common stock	49,740	21,468
Add. paid-in capital	163,006	92,350
Common stock warrants	2,300	2,300
Retained earnings	94,967	83,984
Total Liabilities & Shareholders' Equity	$ 1,136,500	$ 855,798

‡ Restated.
* At lower of cost or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.12	3.30
%Net Income to Sales	2.16	1.86
%Net Income to Equity	15.94	19.60
Sales to Inventories	14.30	15.55
Debt to Equity	1.79	2.20
Working Capital	$ 189,420,000	$ 89,244,000
Current Ratio	2.12	1.48
Shareholders' Equity	$ 310,013,000	$ 200,102,000

Circuit City Stores, Inc.

2040 Thalbro Street
Richmond, Virginia 23230
(804) 257-4292

Officers: Alan L. Wurtzel, chairman; Richard L. Sharp, president & chief exec. officer; William D. Rivas, exec. v.p.; Daniel M. Rexinger, exec. v.p.; Walter Bruckart, sr. v.p.; John A. Fitzsimmons, sr. v.p.; William E. Zierden, sr. v.p.; James R. Wilson, sr. v.p. & chief financial officer; Donald Chasen, v.p.; Terry L. Kelley, v.p.; Edward Kopf, v.p.; R. Bruce Lucas, v.p.; Franklin Bell, v.p.; Richard Birnbaum, v.p.; James N. Gillum, v.p.; Kenneth Antos, v.p.; Michael T. Chalifoux, v.p. & controller; Lawrence A. Wilson, treasurer; Gertrude M. Gibson, secretary; Frank Forlano, asst. v.p.; Sheldon Shapiro, asst. v.p.; Thomas Hannah, asst. v.p.; Jerry L. Lawson, asst. v.p.; Bernard Curlee, asst. v.p.; Robert Timbrook, asst. v.p..

Directors: Edward Villanueva, Alan L. Wurtzel, Hyman Meyers, Theodore Nierenberg, William D. Rivas*, Robert R. Glauber, Daniel M. Rexinger*, Douglas Drysdale, Richard N. Cooper, Richard L. Sharp*, Charles B. Davis, Stanley R. Klion.

* Member of the Executive Committee

Business Activities: Sells television appliances, audio and video equipment, and other consumer electronics products at 105 retail locations in 10 southeastern states, the District of Columbia, and California under the name Circuit City and Circuit City Superstore.

Transfer Agent(s):

Crestar Bank
Richmond, Virginia

Stock Exchange(s): New York

Ticker Symbol: CC

Number of Stores: (at fiscal year end)

1988	105	1985	93
1987	87	1984	98
1986	67		

Sales & Earnings

	Net Sales ‡	Net Income
1988	$ 1,350,425,000	$ 50,400,000
1987	1,010,692,000	35,300,000
1986	705,490,000	22,021,000
1985	519,214,000	20,234,000
1984	356,708,000	12,009,000

	No. of Com. Shares +	Earn. per Share †
1988	22,413,979	$ 2.25
1987	22,189,380	1.59
1986	21,890,830	0.99
1985	21,721,978	0.97
1984	19,764,846	0.62

‡ Includes operating revenues.
+ Adjusted to reflect stock splits.
† Based on the weighted average number of common share and common share equivalents outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1988	$ 0.075	—	—
1987	0.058	—	2-for-1
1986	0.048	—	—
1985	0.038	—	—
1984	0.019	—	3-for-1

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	$ 201,413,000	$ 8.99
1987	149,271,000	6.73
1986	111,186,000 †	5.08
1985	88,505,000 †	4.08
1984	47,986,000 †	2.43

† After allowing for preferred stock at redemption value.
‡ Adjusted to reflect stock splits.

Income Account *
(000's)

Year ended Feb. 28	1988	1987
Net sales & oper. rev.	$ 1,350,425	$ 1,010,692
Cost of sales	961,345	720,187
Expenses	291,489	213,816
Interest expense	8,391	5,189
Income before taxes	$ 89,200	$ 71,500
Income taxes	38,800	36,200
Net Income	$ 50,400	$ 35,300

* Included in Costs and Expenses, Depreciation and Amortization: $13,592,000 in 1988 and $9,436,000 in 1987.

Assets
(000's)

As of Feb. 28	1988	1987
Cash	$ 43,867	$ 33,728
Accts. receiv., net	7,135	12,319
*Inventories	208,098	144,418
Other assets	6,264	5,017
Current Assets	$ 265,364	$ 195,482
#Fixed assets	155,246	147,213
Other assets	12,277	18,922
Deferred inc. taxes	354	—
Total Assets	$ 433,241	$ 361,617

Liabilities
(000's)

Long-term debt, curr.	$ 1,359	$ 1,118
Accts. payable	78,216	63,904
Accruals	18,309	16,609
Accrued inc. taxes	18,334	16,531
Curr. Liabilities	$ 116,218	$ 98,162
Long-term debt	96,676	101,149
Deferred revenues	18,875	11,609
Other liabilities	59	34
Deferred income taxes	—	1,392
+ Common stock	22,401	22,190
Add. paid-in capital	24,720	21,521
Retained earnings	154,292	105,560
Total Liabilities & Shareholders' Equity	$ 433,241	$ 361,617

* At lower of cost (average) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales & Rev.	6.61	7.07
%Net Income to Sales & Rev.	3.73	3.49
%Net Income to Equity	25.02	23.65
Debt to Equity	0.49	0.69
Working Capital	$ 149,146,000	$ 97,320,000
Current Ratio	2.28	1.99
Shareholders' Equity	$ 201,413,000	$ 149,271,000

Ciro Inc.

15 West 39th Street
New York, New York 10018
(212) 730-2476

Officers: Ralph A. Fields, chairman & chief executive officer; Stuart Michael Heaton, president; Thomas P. Pohmer, treasurer & chief financial officer; Peter A. Jellinek, v.p.; Gustav Otto Eckart Meusel, v.p.; Paul C. Whitby, secretary; Robert A. Cakebread, asst. secretary.

Directors: Ralph A. Fields, chairman; Stuart Michael Heaton, Abraham Gold, Peter A. Gervais, Seymour Shainswit, Ralph G. Copping, Lloyd Resaler.

Business Activities: The Company, through its operating subsidiaries, is a retailer of high-quality imitation jewelry and cultured and imitation pearls under the Ciro and Ken Lane names. Retail operations are conducted through 90 outlets in the U.S., U.K., Ireland, France, West Germany, and Austria.

Subsidiaries:

Ciro Pearls Limited
178 Regent Street
London W1 United Kingdom

Ciro Perlen GmbH
Ludwigstrasse 8
Munich, West Germany

Ciro Perlen GmbH
Graben 16
Vienna, Austria

Ken Lane SARL
7 Rue Royale
Paris, France

Ciro of Bond Street, Inc.
15 West 39th Street
New York 10018

Transfer Agency(s):

Continental Stock Transfer and Trust Company
72 Reside Street
New York, New York 10007

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CIRI (NASDAQ)

Number of Retail Outlets:

1987 ..... 90 1986 88

Sales & Earnings

	Net Sales	Net Income †
1987	$ 22,124,000	$ 340,000
1986	17,522,000	(119,000)
1985	15,840,000	637,000

	No. of Com. Shares ‡	Earn. per Share ‡ †
1987	4,208,743	$ 0.08
1986	3,876,875	—
1985	3,935,961	0.16

(Loss)
† Including extraordinary gain of $113,000 ($0.03 per share) in 1987.
‡ Based on the weighted average nujmber of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity †	Equity Per Share ‡
1987	$ 8,255,000	$ 1.96
1986	6,833,000	1.76
1985	6,553,000	1.66

† After allowing for preferred stock at liquidating value.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended Dec. 31	1987	1986
Net sales	$ 22,124	$ 17,522
Cost of sales	7,425	6,144
Oper. expenses	9,536	7,709
Expenses	4,316	3,365
For. exch. loss (gain)	6	(15)
Other income	(86)	(43)
Other expense	119	19
Income before taxes	$ 808	$ 343
Income taxes	581	462
Net Income (Loss)	$ 227	$ (119)
Extraord. gain	113	—
Net income (Loss) & extraord. gain	$ 340	$ (119)

* Included in Costs and Expenses, Depreciation and Amortization: $599,000 in 1987 and $608,000 in 1986.

Assets (000's)

As of Dec. 31	1987	1986
Cash	$ 1,090	$ 1,125
Accts. receiv., net	2,079	1,663
*Inventories	7,555	4,519
Prepaid expenses	440	549
Current Assets	$ 11,164	$ 7,856
Marketable securities	99	191
Investments	30	36
#Fixed assets	3,717	3,163
Cash value-life insur.	574	423
Other assets	786	606
Intangibles	1,368	1,406
Total Assets	$ 17,738	$ 13,681

Liabilities (000's)

Short-term borrowings	$ 729	$ 729
Long-term debt, curr.	493	227
Accts. payable	1,729	1,145
Accruals	3,189	2,067
Income taxes	573	713
Curr. Liabilities	$ 6,713	$ 4,881
Long-term debt	922	499
Deferred income	889	694
Deferred inc. taxes	509	324
+Preferred stock	450	450
++Common stock	406	392
Add. paid-in capital	4,648	4,392
Retained earnings	1,961	1,621
Treasury stock	(46)	(46)
Total Liabilities & Shareholders' Equity	$ 17,738	$ 13,681

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value; convertible.
++ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	3.65	1.96
%Net Income to Sales	1.03	—
%Net Income to Equity	2.61	—
Sales to Inventories	2.93	3.88
Debt to Equity	0.25	0.20
Working Capital	$ 4,451,000	$ 2,975,000
Current Ratio	1.66	1.61
Shareholders' Equity	$ 8,705,000	$ 7,283,000

Claire's Stores, Inc.

6095 N.W. 167th Street
Miami, Florida 33015
(305) 558-2577

Officers: Rowland Schaefer, chairman of the board & president; Ira D. Kaplan, treasurer; Harold E. Berritt, secretary; Sylvia Schaefer, vice president; Charlotte G. Fischer, pres. & chief operating officer-Claire's Boutiques, Inc.; Steven R. Lubinski, exec. v.p.-Claire's Boutiques, Inc.; Leonard R. Schneider, exec. v.p.-real estate & construction, Claire's Boutiques, Inc.; Leslie D. Dunavant, v.p.-store operations, Claire's Boutiques, Inc.; Alexander M. Winiecki, v.p.-administration, Claire's Boutiques, Inc..

Directors: Rowland Schaefer, chairman; Harold E. Berritt, Fred D. Hirt, Bruce G. Miller, Sylvia Schaefer.

Business Activities: Operates 555 specialty retail stores selling popular priced women's fashion accessories in enclosed shopping malls in 47 states, under the name, Claire's Boutiques and Dara Michelle.

Subsidiaries:

Claire's Boutiques, Inc.
1501 North Michael Drive
Wood Dale, Illinois 60191

Dara Michelle, Inc.
1501 North Michael Drive
Wood Dale, Illinois 60191

Transfer Agent(s):

Southeast Bank, N.A.
Corporate Trust
1 Southeast Financial Center
Miami, Florida 33131

Stock Exchange(s): New York

Ticker Symbol: CLE

Number of Stores: (at fiscal year end)

1988 ..... 555 1985 243
1987 ..... 439 1984 195
1986 326

Sales & Earnings

	Net Sales	Net Income
1988	$ 103,404,000	$ 6,230,000
1987	87,205,000	5,323,000
1986	74,456,000	7,479,000
1985*	55,895,000	6,600,000
1984	36,048,000	3,969,000

	No. of Com. Shares ‡	Earn. per Share ‡
1988	19,916,000	$ 0.31
1987	20,019,000	0.26
1986	20,779,000	0.36
1985	20,454,000	0.32
1984	17,206,000	0.23

* 43 weeks
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	$ 0.10	—	5-for-4
1987	0.10	—	—
1986	0.08	—	—
1985	0.04	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	$ 28,213,000	$ 1.42
1987	23,618,000	1.18
1986	20,257,000	0.97
1985	16,611,000	0.81
1984	9,276,000	0.54

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended	1/30/88	1/31/87
Net sales	$ 103,404,000	$ 87,205,436
Cost of sales	49,815,000	44,056,138
Expenses	38,516,000	29,308,152
Depreciation & amortization	4,703,000	3,115,577
Interest expense	1,021,000	412,863
Interest income	(9,000)	(1,909)
Income bef. taxes	$ 9,358,000	$ 10,414,615
Income taxes	3,658,000	5,091,366
Cum. effect of change in accntg. meth.	(530,000)	—
Net Income	$ 6,230,000	$ 5,323,249

Assets

As of	1/30/88	1/31/87
Cash	$ 1,316,000	$ 1,381,546
*Inventories	10,707,000	10,891,982
Prepaid expenses	1,894,000	1,115,415
Current Assets	$ 13,917,000	$ 13,388,943
#Fixed assets	35,898,000	25,266,149
Goodwill	315,000	326,918
Store fixtures	720,000	990,916
Other assets	105,000	84,348
Total Assets	$ 50,995,000	$ 40,057,274

Liabilities		
Accts. payable	$ 5,831,000	$ 8,181,512
Accruals	2,293,000	2,579,980
Dividends payable	444,000	398,174
Income taxes	12,000	3,059,946
Curr. Liabilities	$ 8,580,000	$ 14,219,612
Long-term debt	11,300,000	—
Deferred inc. taxes	2,862,000	2,220,000
+Common stock	1,012,000	808,578
Add. paid-in capital	7,646,000	7,805,432
Retained earnings	21,782,000	17,230,890
Treasury stock	(2,227,000)	(2,227,238)
Total Liabilities & Shareholders' Equity	$ 50,955,000	$ 40,057,274

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.05 par value.

Statistical Summary		
%Income bef. Taxes to Sales	9.05	11.944
%Net Income to Sales	6.02	6.10
%Net Income to Equity	22.08	22.54
Sales to Inventories	9.66	8.01
Working Capital	$ 5,337,000	—
Current Ratio	1.62	—
Shareholders' Equity	$ 28,213,000	$ 23,617,662

The Clothestime, Inc.

5325 East Hunter Avenue
Anaheim, California 92807
(714) 779-5881

Officers: Michael P. DeAngelo, chairman & chief executive officer; Raymond A. DeAngelo, vice chairman of the board; John Ortega, II, vice chairman of the board; Norman Abramson, president & chief operating officer; Jeffrey R. Duke, vice president-real estate & construction; John M. Shanklin, v.p. & chief financial officer; Eric J. Boden, v.p.-store operations; P. Bruce Cumming, v.p.-distribution services; Michael R. Luff, v.p. & general merchandise manager.

Directors: Michael P. DeAngelo, chairman; Raymond A. DeAngelo, John Ortega, II, August DeAngelo, Harvey A. Rotkstein, Norman Abramson, George Foos.

Business Activities: The Company operates 338 women's apparel stores in 18 states, with most of the stores (182) located in California. The stores offer primarily in-season, moderately priced, junior sportswear, dresses and accessories. Most of these items are sold under recognizable brand names, at substantial discounts from better department and specialty store prices.

Transfer Agent(s):

U.S. Stock Transfer Corporation
1745 Gardena Ave.
Glendale, California 91204

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CTME (NASDAQ)

Number of Stores: (at fiscal year end)

1988	338	1986	190
1987	263	1985	155

Sales & Earnings	Net Sales †	Net Income
1988	$ 1,715,000	$ 6,509,000
1987*	160,670,000	11,908,000
1986	126,929,000	10,005,000
1985	98,247,000	3,311,000
1984	68,448,000	2,420,000

	No. of Com. Shares ‡	Earn. per Share ‡
1988	14,129,000	$ 0.46
1987*	14,298,000	0.83
1986	14,206,000	0.70
1985	14,048,000	0.24
1984	12,164,000	0.20

* 53 weeks
† Includes other income.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Common Stock	Cash Dividend	Stock Dividend	Stock Split
1988	—	—	—
1987	—	—	—
1986	—	—	2-for-1&3-for-2
1985	—	—	—
1984	—	—	5.6-for-1

Common Stock Equity	Total Equity	Equity Per Share ‡
1988	$ 41,470,000	$ 2.94
1987	34,726,000	2.43
1986	22,580,000	1.59
1985	12,317,000	0.88
1984	8,973,000	0.74

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Income Account *		
Year ended	1/30/88	1/31/87 (53 weeks)
Net sales	$ 178,695,242	$ 160,334,334
Other income	19,604	335,218
Total income	$ 178,714,846	$ 160,669,552
Cost of sales	104,738,260	87,441,231
Expenses	62,127,888	49,258,693
Interest expense	311,320	67,402
Income before taxes	$ 11,537,378	$ 23,902,226
Income taxes	5,028,000	11,994,000
Net Income	$ 6,509,378	$ 11,908,226

* Included in Costs and Expenses, Depreciation and Amortization: $3,532,103 in 1988 and $2,424,868 in 1987.

Assets		
As of	1/30/88	1/31/87
Cash & short-term invest.	$ 1,947,881	$ 2,064,968
Marketable securities	—	748,109
*Inventories	22,112,619	21,475,009
Prepaid inc. taxes	6,649,720	2,348,505
Prepaid expenses	3,735,417	2,663,975
Current Assets	$ 34,445,637	$ 29,300,566
#Fixed assets	34,027,960	24,409,757
Other assets	351,878	158,352
Total Assets	$ 68,825,475	$ 53,868,675

Liabilities		
Notes payable	$ 6,100,000	—
Long-term debt, curr.	26,461	156,242
Accts. payable	8,761,648	10,705,522
Accrued sales taxes	540,729	719,376
Accrued payroll	2,282,438	1,676,099
Other accruals	2,435,815	866,501
Curr. Liabilities	$ 20,147,091	$ 14,123,740
Long-term debt	14,711	41,172
Deferred inc. taxes	7,193,685	4,977,401
+Common stock	139,685	138,523
Add. paid-in capital	5,781,109	5,588,031
Notes receiv. from officers	(331,367)	(371,375)
Retained earnings	35,880,561	29,371,183
Total Liabilities & Shareholders' Equity	$ 68,825,475	$ 53,868,675

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary		
%Income bef. Taxes to Sales	6.46	14.91
%Net Income to Sales	3.64	7.43
%Net Income to Equity	15.70	34.29
Sales to Inventories	8.08	7.47
Debt to Equity	0.15	0.01
Working Capital	$ 14,298,546	$ 15,176,826
Current Ratio	1.71	2.07
Shareholders' Equity	$ 41,469,988	$ 34,726,362

Coats Viyella Plc

Bank House
Charlotte Street
Manchester M1 4ET England
061-236-3272

Directors: Sir James Spooner, chairman; David Alliance, CBE deputy chairman & group chief executive; James McAdam, deputy chairman & deputy group chief executive; John Ashton, C. Michael Bell, Harry A.S. Djanogly, Jeffrey L. Hewitt, John M. Houston, Nicholas C. D. Kuenssberg, Alistair H. Macdiarmid, William McEwan, J. David F. Miller, Clifford B. Rothera, W. John Shelton, William C. Thomson, Peter M. White.

Secretaries: Samuel Dow, James Webb

Business Activities: The Company's retail group operates 400 retail clothing outlets in the U.K., Europe, and North America under the names Jaeger, Country Casuals, Viyella, and Jean Muir. The Company is also engaged in the manufacture, processing and distribution of knitwear and garments, household textiles, furnishings and carpets, and woven and knitted fabrics; and the production and sale of sewing thread, handknittings, fashionwear and precision engineering products.

Subsidiaries (England):

The British Van Heusen Company Limited
Shirts and leisurewear.

Thomas Burnley & Sons Limited
Yarns and fabrics.

D. Byford & Company Limited
Knitwear and hosiery.

Carrington Viyella Garments Limited
Shirts and leisurewear.

J. Compton, Sons & Webb Limited
Uniform clothing.

Country Casuals Limited
Operates 129 retail clothing outlets in the U.K. and Europe.

Diana Cowpe Limited
Household textiles.

CV Home Furnishings Limited
Home furnishings.

CV Woven Fabrics Limited
Yarns and fabrics.

Dalkeith Knitwear Limited
Knitwear.

Coats Viyella Plc

Dynacast International Limited
Precision engineering.

Albert Hartley Limited
Household textiles.

William Hollins & Company Limited
Fabrics/fashion wear.

Jaeger Holdings Limited
Operates retail clothing stores in the U.K. and North America.

Lancaster Carpets Limited
Carpets.

Mansfield Knitwear Limited
Knitwear.

Jean Muir Ltd.
Operates retail clothing stores in the U.K. and North America.

Needle Industries Group Limited
Leisure and craft products; home sewing products; industrial sewing products.

Nottingham Group Limited
Education supplies.

Patons & Baldwins Limited
Handknittings.

Priest (Lindley) Limited
Yarns.

Stott & Smith Group Limited
Household textiles.

Vantona Limited
Household textiles.

VV Household Textiles Limited
Household textiles.

Wardle Fabrics Limited
Household textiles.

West Riding Worsted and Woollen Mills Limited
Yarns and fabrics.

Subsidiaries (Scotland)

Coats Paton PLC
Holding Company.

J. & P. Coats (U.K.) Limited
Leisure and craft products; home sewing products; industrial sewing products.

F. Miller (Textiles) Limited
Women's and children's wear.

Pasolds Limited
Leisurewear.

Subsidiaries (Northern Ireland):

Donaghadee Carpets Limited
Carpets.

Ewart Liddell Limited
Household textiles.

Subsidiaries (U.S.A.):

Coats & Clark, Inc. (including Dynacast USA)
Leisure and craft products; home sewing products, industrial sewing products; precision engineering; handknittings.

Subsidiaries (Canada):

J. & P Coats (Canada) Inc.
Leisure and craft products; home sewing products; industrial sewing products; handknittings.

Pattons & Bardwins Canada Inc.
Handknittings.

Consoltex Canada Inc. (49.7% interest)
Montreal, Quebec, Canada
Fabric and garments.

Registrar:

Fenchurch Registrars Limited
5-16 Earl Street
London, EC2A 2DY, England

Number of Employees:

1986 400

Sales & Earnings

	Net Sales	Net Income †
1986	£1,750,000,000	£ 132,900,000
1985	1,695,900,000	102,700,000
1984	606,900,000	32,200,000
1983	307,300,000	9,900,000
1982	103,500,000	3,200,000

	No. of Com. Shares ‡	Earn. per Share ‡ †
1986	261,300,000	47.2p
1985	259,600,000	36.0
1984	N.A.	30.1
1983	N.A.	25.7
1982	N.A.	14.6

N.A. - Not Available.
£ - Pound sterling.
† Excluding extrsordinary items and minority interests.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business
(000's)

	1986	1985
Thread & handknitting	£ 605,000	N.A.
Garment Mfg. & retailing	525,000	N.A.
Yarns & fabrics	243,000	N.A.
Household textiles & carpets	270,000	N.A.
Precision engineering	107,000	N.A.
Total	£ 1,750,000	N.A.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1986	14.5p	—	—
1985	12.0	—	—
1984	10.0	—	—
1983	8.0	—	—
1982	8.0	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1986	£ 642,700,000	£ 2.46
1985	575,100,000	2.22

† After allowing for preferred stock at par value.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended Dec. 31	1986	1985
Net sales	£ 1,750,000	£ 1,695,900
Cost of sales	1,194,600	1,184,800
Distribution costs	245,700	231,600
Adm. expenses	129,200	127,700
Other oper. inc.	(7,300)	(8,300)
Share of profit of rel. cos.	(7,100)	(7,400)
Interest expense	26,600	38,700
Interest income	(13,400)	(20,800)
Income before taxes	£ 181,700	£ 149,600
Income taxes	48,800	46,900
Minority interest	9,400	8,900
Net Income	£ 123,500	£ 92,600
Extraord. items	(14,900)	700
Net Income & extraord. items	£ 108,600	£ 94,500

* Included in Costs and Expenses, Depreciation and Amortization: £ 42,400,000 in 1986 and £ 39,603,000 in 1985.

Assets
(000's)

As of Dec. 31	1986	1985
Cash	£ 166,000	£ 72,300
Investments	11,500	37,800
Accts. receiv., net	297,800	306,600
*Stocks	417,200	413,600
Current Assets	£ 892,500	£ 830,200
Investments	40,100	31,900
#Fixed assets	439,300	409,600
Total Assets	£ 1,371,900	£ 1,271,700

Liabilities
(000's)

Long-term debt, curr.	£ 72,000	£ 86,300
Accts. payable	141,700	144,900
Debentures	13,900	5,900
Amts. owed to rel. cos.	8,700	1,600
Advance payments	21,600	12,500
Bills of exch.	20,400	20,100
Other payables	20,600	22,000
Other accruals	41,300	53,200
Income taxes	44,300	36,400
Other taxes	44,900	38,900
Proposed dividend	38,300	20,900
Fin. lease oblig.	3,800	4,000
Pensions	1,700	1,500
Curr. Liabilities	£ 473,200	£ 448,200
Bills of exch.	—	100
Debentures	108,400	106,100
Other payables	1,200	1,700
Minority interest	77,900	75,600
Deferred income	1,800	3,700
Deferred taxes	700	3,300
Fin. lease oblig.	16,500	17,200
Other liabilities	46,400	39,100
+Preferred stock	3,100	1,600
++Common stock	52,400	52,000
Add. paid-in capital	8,400	8,000
Other reserves	64,400	61,100
Profit & loss acct.	517,500	454,000
Total Liabilities & Shareholders' Equity	£ 1,371,900	£ 1,271,700

* At lower of cost and net realizable value.
# Less accumulated depreciation.
+ £ 1 par value; 4.9% cumulative.
++ 20p par value.

Statistical Summary

%Income bef. Taxes to Sales	10.38	8.82
%Net Income to Sales	7.06	5.53
%Net Income to Equity	19.12	16.26
Sales to Inventories	4.19	4.10
Debt to Equity	0.30	0.34
Working Capital	£ 419,300,000	£ 382,000,000
Current Ratio	1.89	1.85
Shareholders' Equity	£ 645,800,000	£ 576,700,000

The Computer Factory Inc.

399A Executive Boulevard
Elmsford, New York 10523
(914) 347-5000

Officers: Jay Gottlieb, chairman of the board & president; Edward R. Anderson, v.p.-marketing; Russell Madris, v.p.-sales; Rochelle Cochin, secretary-treasurer.

Directors: Jay Gottlieb, chairman; Edward R. Anderson, Russell Madris, Rochelle Cochin, Jay M. Haft, Irv Riklis.

Business Activities: Operates 45 computer retail stores located principally in the Boston to Washington, D.C. corridor.

Transfer Agent(s):

American Stock Transfer Company
99 Wall Street
New York, New York 10005

Stock Exchange(s): New York

Ticker Symbol: CFA

Number of Stores:

1987	45

Sales & Earnings

	Net Sales	Net Income
1987	$ 186,971,000	$ 6,862,000
1986	104,347,000	2,474,000
1985	56,759,000	1,147,000
1984	25,720,000	601,000
1983	14,605,000	383,000

	No. of Com. Shares	Earn. per Share ‡
1987	7,241,000	$ 0.95
1986	5,336,000	0.46
1985	4,349,000	0.26
1984	N.A.	0.14
1983	N.A.	0.11

N.A. - Not Available.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	—	—	3-for-2
1986	—	—	4-for-3

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	$ 76,430,000	$ 10.56
1986	26,013,000	4.88
1985	9,820,000	2.26
1984	8,668,000	—

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Income Account *
(000's)

Year ended Sept. 30	1987	1986
Net sales	$ 186,971	$ 104,347
Cost of sales	142,598	78,630
Expenses	31,044	20,423
Interest expense	282	261
Interest income	(963)	(118)
Income before taxes	$ 14,010	$ 5,151
Income taxes	7,148	2,677
Net Income	$ 6,862	$ 2,474

* Included in Costs and Expenses, Depreciation and Amortization: $1,359,000 in 1987 and $849,000 in 1986.

Assets
(000's)

As of Sept. 30	1987	1986
Cash	$ 4,942	$ 1,776
Short-term invest.	19,734	—
Accts. receiv., net	20,269	8,649
*Inventories	55,149	26,457
Prepaid expenses	1,001	564
Current Assets	$ 101,095	$ 37,446
@Fixed assets	3,820	3,217
Other assets	1,754	702
Total Assets	$ 106,669	$ 41,365

Liabilities
(000's)

Accts. payable	$ 25,721	$ 12,629
Sales tax payable	1,550	735
Due to customers	1,256	572
Deferred income	475	227
Accrued professional fees	154	77
Accrued admissions	317	179
Accrued profit sharing	103	68
Accrued bonuses	250	100
Other accruals	59	62
Income taxes	278	644
Curr. Liabilities	$ 30,163	$ 15,293
Deferred inc. taxes	76	59
+Common stock	81	41
Add. paid-in capital	64,217	20,466
Retained earnings	12,369	5,507
Notes receivable	(235)	—
Treasury stock	(2)	(1)
Total Liabilities & Shareholders' Equity	$ 106,669	$ 41,365

* At lower of cost (FIFO) or market.
@ Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

Income bef. Taxes to Sales	7.49	4.94
%Net Income to Sales	3.67	2.37
%Net Income to Equity	8.98	9.51
Sales to Inventories	3.39	3.94
Working Capital	$ 70,932,000	$ 22,153,000
Current Ratio	3.35	2.45
Shareholders' Equity	$ 76,430,000	$ 26,013,000

Consolidated Stores Corporation

3020 Corvair Avenue
P.O. Box 627
Columbus, Ohio 43216
(614) 224-1297

Officers: Sol A. Shenk, chairman & chief exec. officer; Charles H. Shenk, president; William B. Snow, exec. v.p. & chief financial officer; James M. Guinan, sr. exec. v.p. & pres.-Retail Division; Patricia L. King, v.p. & controller; John A. Gabelman, secretary & treasurer; William A. Shenk, v.p. & general counsel; Linda E. Shafran, asst. v.p. & asst. secretary.

Directors: Sol A. Shenk, chairman; Rodney L. Goldstein, William J. Hunckler, III, Charles H. Shenk, Ned Sherwood, Morris Sidewater, James M. Guinan, Jay Kramer.

Business Activities: Operates 295 "close-out" retail stores under the names "Odd Lots" and "Big Lots" in 11 midwestern and southeastern states.

Divisions:

Retail Division
Wholesale Division
Corporate Services

Transfer Agent(s):

BancOhio National Bank
155 East Broad Street
Columbus, Ohio 43251

Manufacturers Hanover Trust Company
Grand Central Station
P.O. Box 3732
New York, New York 10163

Stock Exchange(s): New York

Ticker Symbol: CNS

Number of Stores: (at fiscal year end)

1988	295	1985	54
1987	219	1984	40
1986	115		

Sales & Earnings

	Net Sales +	Net Income
1/30/88	$ 590,704,000	$ 12,995,000
1/31/87	397,221,000	19,459,000
2/1/86	181,101,000	11,957,000
2/2/85*	39,433,000	3,633,000
9/30/84	48,756,000	3,993,000

	No. of Com. Shares ‡	Earn. per Share ‡
1/30/88	45,096,577	$ 0.29
1/31/87	43,412,000	0.45
2/1/86	38,150,904	0.32
2/2/85*	31,600,000	0.12
9/30/84	31,600,000	0.12

* 4 months.
+ Of continuing operations only.
‡ Based on the weighed average numer of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Revenues by Line of Business

	1988	1987
Retail	$ 571,150,000	$ 378,949,000
Wholesale	19,554,000	18,272,000
Total	$ 590,704,000	$ 397,221,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1/30/88	—	—	—
1/31/87	—	—	2-for-1
2/1/87	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share ‡
1/30/88	$ 127,994,000	$ 2.84
1/31/87	114,295,000	2.63
2/1/86	47,628,000	1.25
2/2/85	6,426,000	0.20
9/30/84	16,295,000	0.52

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Consolidated Stores Corporation

Income Account *
(000's)

Year ended	1/30/88	1/31/87
Net sales	$ 598,704	$ 397,221
Cost of sales	358,512	235,505
Expenses	205,919	125,691
Joint venture earn.	(1,007)	(295)
Interest expense	7,065	1,885
Interest income	(75)	(135)
Other income	(2,487)	(2,075)
Income before taxes	$ 22,777	$ 36,645
Income taxes	9,782	17,186
Net income	$ 12,995	$ 19,459

* Included in Costs and Expenses, Depreciation and Amortization: $9,211,000 in 1988 and $4,362,000 in 1987.

Assets
(000's)

As of	1/30/88	1/31/87
Cash	$ 5,440	$ 4,658
Notes & accts. rec., net	1,811	4,059
Invest. in joint venture	6,432	24,839
*Inventories	122,495	91,350
Prepaid expenses	3,704	3,642
Deferred income taxes	4,749	—
Current Assets	$ 144,631	$ 128,548
#Fixed assets	99,911	73,658
Other assets	2,623	3,101
Total Assets	$ 247,165	$ 205,307

Liabilities
(000's)

Long-term debt, curr.	$ 1,307	$ 1,104
Accts. payable	39,755	38,967
Accruals	13,355	6,248
Income taxes	4,869	3,761
Curr. Liabilities	$ 59,286	$ 50,080
Long-term debt	54,727	38,399
Deferred inc. taxes	3,158	2,533
+Common stock	426	418
+Non-voting common stock	27	33
Add. paid-in capital	82,516	81,814
Retained earnings	45,025	32,030
Total Liabilities & Shareholders' Equity	$ 247,165	$ 205,307

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	3.86	9.23
%Net Income to Sales	2.20	4.90
%Net Income to Equity	10.15	17.03
Sales to Inventories	4.82	4.35
Debt to Equity	0.43	0.35
Working Capital	$ 85,345,000	$ 78,468,000
Current Ratio	2.44	2.57
Shareholders' Equity	$ 127,994,000	$ 114,295,000

Conston Corporation

3250 South 76th Street
Philadelphia, Pennsylvania 19153
(215) 492-9700

Officers: Charles Conston, chairman of the board, president & chief executive officer; John J. Cebular, sr. v.p.-finance, treasurer & secretary; Adele Vellibitello, sr. v.p.-store operations; Cynthia Conston Savett, sr. v.p.-merchandising; Stuart F. Conston, sr. v.p.-real estate; Shirley Conston, v.p.-public relations and advertising; John Ciabattoni, Jr., v.p.-controller and asst. secretary; Arthur McBeth, v.p.-management information systems; Arthur Balsbem, v.p.-distribution; Robert Smith, v.p.-construction; Robert Giordano, v.p. & import director.

Directors: Charles Conston, chairman; John J. Cebular, Cynthia Conston Savett, Stuart F. Conston, Shirley Conston, Philip S. Seltzer, George A. Butler.

Business Activities: Operates 265 "16 Plus" stores, which feature moderately priced fashionable sportswear, dresses, suits and accessories for the large-size women. These stores are located in 28 states and the District of Columbia. Also operates 75 "Charles" and "Famous Maid" women's retail clothing stores, which appeal to the junior-size, moderate-income market and are located in 16 states and the District of Columbia. In addition, the Company operates nine "Kristy's Kids" clothing stores for girls and boys aged four to twelve. The Company's stores are located almost exclusively in the East, Midwest, and South.

Divisions:

16 Plus
Charles
Famous Maid
Kristy's Kids

Transfer Agent(s):

Mellon Bank (East) N.A.
Commerce Court, Third Floor
Four Station Square
Pittsburgh, Pennsylvania 15219-1173

Stock Exchange(s): American

Ticker Symbol: KCS

Number of Stores:

1988	349	1985	234
1987	313	1984	195
1986	272		

Sales & Earnings

	Revenues +	Net Income
1987	$ 186,798,000	$ 1,588,000
1986	171,565,000	6,597,000
1985	149,213,000	5,832,000
1984	128,332,000	4,458,000
1983	100,443,000	5,525,000

	No. of Com. Shares	Earn. per Share ‡
1987	7,600,000	$ 0.21
1986	7,600,000	0.92
1985	6,600,000	0.88
1984	6,601,646	0.67
1983	N.A.	0.82

N.A. - Not Available.
+ Of continuing operations only.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1987	$ 52,686,000	$ 6.93
1986	51,098,000	6.72
1985	32,354,000	4.90
1984	26,530,000	4.02
1983	22,495,000	—

Income Account
(000's)

Year ended	2/27/88	2/28/87
Net sales	$ 186,156	$ 170,961
Other income	642	604
Total income	$ 186,798	$ 171,565
Cost of sales	129,906	113,432
Expenses	47,408	40,455
Depreciation & amortization	6,004	4,796
Interest expense	1,004	741
Gain on sale of fixed asset	—	(361)
Income before taxes	$ 2,476	$ 12,699
Income taxes	888	6,100
Income from cont. oper.	$ 1,588	$ 6,599
Loss from discont. oper.	—	(2)
Net income	$ 1,588	$ 6,597

Assets
(000's)

As of	2/27/88	2/28/87
Cash	$ 2,752	$ 10,014
Marketable securities	4,983	8,022
Loans receivable	996	949
*Inventories	22,762	18,411
Prepaid expenses	2,840	1,004
Current Assets	$ 34,333	$ 38,400
#Fixed assets	39,087	30,681
Other assets	1,204	1,031
Total Assets	$ 74,624	$ 70,112

Liabilities
(000's)

Long-term debt, curr.	$ 288	$ 283
Cap. lease oblig. curr.	170	91
Accts. payable	8,547	8,180
Construc. costs pay.	150	1,000
Accruals	2,494	2,212
Accrued profit-sharing	832	766
Income taxes	5	147
Deferred income taxes	—	197
Curr. Liabilities	$ 12,486	$ 12,876
Long-term debt	1,364	1,203
Cap. lease oblig.	8,088	4,935
+Common stock	912	912
Add. paid-in capital	12,612	12,612
Retained earnings	39,162	37,574
Total Liabilities & Shareholders' Equity	$ 74,624,000	$ 70,112,000

* At lower of cost or market by the retail method.
# Less accumulated depreciation and amortization.
+ $0.12 par value.

Statistical Summary

%Income bef. Taxes to Sales	1.33	—
%Net Income to Sales	0.85	—
%Net Income to Equity	3.01	12.91
Sales to Inventories	8.18	9.29
Debt to Equity	0.19	0.13
Working Capital	$ 21,847,000	$ 25,524,000
Current Ratio	2.75	2.98
Shareholders' Equity	$ 52,686,000	$ 51,098,000

Convenient Food Mart, Inc.

9701 West Higgins Road
Suite 850
Rosemont, Illinois 60018
(312) 692-9150

Officers: Robert S. Risberg, president & chief exec. officer; George R. Thompson, exec. v.p., asst. secretary & pres.-CFM Franchising Co.; Raymond W. Starmann, Jr., exec. v.p.-finance; Martin J. Venturini, sr. v.p.- regional development; A. E. Jenkins, v.p. & chief financial officer; Stanley Bresler, secretary; Richard Y. Fisher, asst. secretary.

Directors: Harry O. Bresler, Stanley Bresler, Richard Y. Fisher, Robert S. Risberg, Donald E. Runge.

Business Activities: The Company, directly and through its network of regional franchisees, operates and franchises a system of 1,345 convenience-style retail food stores in 33 states, the District of Columbia, and parts of Canada. Of these 1,345 stores 473 are operated by the Company through its CFM Franchising Company subsidiary, and 75 are company-owned.

Subsidiaries:

CFM Franchising Company
CFM of New England, Inc.
CFM of Illinois, Inc.
Convenient Food Stores of Louisiana, Inc.

Convenient Franchising Leasing Corporation of America
CFM Service Corporation
Sunshine Foods, Inc.
Convenient Credit Corporation
World's Greatest Food Corporation

Transfer Agent(s):

LaSalle National Bank
Chicago, Illinois

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CFMI (NASDAQ)

Number of Stores:*

1987	1,345	1984	1,134
1986	1,316	1983	1,096
1985	1,223		

* Operated and/or franchised.

Sales & Earnings

	Revenues	Net Income
1987	$ 65,101,000	$ 2,509,000
1986	19,027,000	2,211,000
1985	8,121,000	1,841,000
1984*	14,618,000	2,007,000
1983	11,738,000	978,000

	No. of Com. Shares ‡	Earn. per Share ‡
1987	3,110,000	$ 0.81
1986	2,981,000	0.74
1985	2,942,000	0.63
1984*	3,024,000	0.66
1983	3,119,000	0.31

* 53 weeks.
‡ Based on the weighed average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend and stock splits.

Common Stock

	Cash Dividend+	Stock Dividend	Stock Split
1987	$ —	—	11-for-10
1986	—	10%	5-for-4
1985	0.04	—	5-for-4
1984	0.21	—	—
1983	0.20	—	—

+ Adjusted to reflect stock dividend and stock splits.

Common Stock Equity

	Total Equity	Equity Per share ‡
1987	$ 9,515,000	$ 3.06
1986	7,514,000	2.52
1985	5,279,000	1.79
1984	3,566,000	1.18
1983	2,511,000	0.81

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend and stock splits.

Income Account

Year ended	12/31/87	12/28/86
Net sales	$ 65,100,648	$ 19,026,774
Rental expense	6,912,369	947,067
Product costs	17,472,360	3,399,283
Expenses	8,699,444	5,048,614
Corp. store costs	23,354,539	6,138,618
Depreciation and amortization	3,513,360	125,932
Interest expense (income)	784,395	(403,706)
Other income	—	(656,684)
Income before taxes	$ 4,364,181	$ 4,427,650
Income taxes	1,855,000	2,217,000
Net income	$ 2,509,181	$ 2,210,650

Assets

As of	12/31/87	12/28/86
Cash	$ 4,720,038	$ 2,944,169
Accts. receiv., net	13,135,660	6,615,218
Due from unconsol. subsid.	678,380	—
*Inventories	3,107,233	2,131,719
Regional franchise rights held for resale	590,826	1,504,772
Property held for resale	2,564,784	1,665,096
Prepaid expenses	2,207,662	443,038
Current Assets	$ 26,997,583	$ 15,304,010
#Fixed assets	8,054,393	5,382,389
Other assets	17,380,110	9,721,657
Total Assets	$ 52,432,086	$ 30,408,056

Liabilities

Long-term debt, curr.	$ 12,866,221	$ 14,929,017
Accts. payable	3,666,099	2,057,403
Accrued compensation	541,500	902,243
Other accruals	826,090	443,822
Income taxes	103,474	1,046,832
Curr. Liabilities	$ 18,003,384	$ 19,379,317
Long-term debt	22,102,959	6,441,032
Invest. in unconsol. subsid.	171,219	205,119
Rental secur. deposits	1,168,263	857,515
Deferred income	—	296,401
Deferred inc. taxes	1,471,000	715,100
+Common stock	324,617	267,230
Add. paid-in capital	68,507	15,186
Retained earnings	10,111,514	7,658,656
Treasury stock	(989,377)	(427,500)
Total Liabilities & Shareholders' Equity	$ 52,432,086	$ 30,408,056

* At lower of cost or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	6.70	23.27
%Net Income to Sales	3.85	11.62
%Net Income to Equity	26.37	29.42
Sales to Inventories	21.00	8.93
Debt to Equity	3.68	2.18
Working Capital	$ 8,994,199	—
Current Ratio	1.50	—
Shareholders' Equity	$ 9,515,261	$ 7,513,572

Cousins Home Furnishings, Inc.

11230 Sorrento Valley Road
San Diego, California 92121
(619) 452-5560

Officers: Paul Richards, chairman; Richard Huffman, president & chief operating officer; Conrad Brownlee, chief financial officer & secretary; Sam Levitz, v.p.-merchandising; Ken Mahoney, v.p.-sales; Michael Ray, v.p.-field operations; Steve Schingler, v.p.-warehouse distribution; Bob Torkar, treasurer; Rick Uhrich, v.p.-operations coordination; Rick Marcus, v.p.-merchandising; Rick Hasay, v.p.-advertising.

Directors: Paul Richards, chairman; F. Comrie, J. Comrie, W. Comrie, Sidney Lapidus, David S. Shanks.

Business Activities: Operates 25 retail home furnishings stores in California under the trade name Furnishings 2000. Products include house furnishings as well as major appliances and electronic equipment for home entertainment.

Transfer Agent(s):

Bank of America, NT & SA
555 South Flower Street
Los Angeles, California 90071

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CUZZ (NASDAQ)

Number of Stores: (at fiscal year end)

1987	25	1986	21

Sales & Earnings

	Net Sales +	Net Income
1987	$ 85,156,000	$ (13,494,000)
1986	84,622,000	(6,484,000)
1985	116,797,000	(14,935,000)
1984	83,082,000	(6,071,000)
1983	20,343,000	862,000

	No. of Com. Shares ‡	Earn. per Share
1987	8,376,000	$ —
1986	8,161,000	—
1985	8,156,000	—
1984	7,163,000	—
1983	3,733,000	0.23

(Loss)
+ Of continuing operations only.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	—	—	—
1986	—	—	—
1985	—	—	—
1984	—	—	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	$ 664,000	$ 0.08
1986	7,056,000	0.86
1985	13,369,000	1.64
1984	23,287,000	3.25
1983	4,628,000	1.24

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Cousins Home Furnishings, Inc.

Income Account
(000's)

Year ended June 30	1987	1986
Net sales	$ 85,156	$ 84,622
Cost of sales	50,714	47,231
Expenses	40,214	44,542
Depreciation & amortization	2,984	3,427
Interest expense	2,133	2,402
Other expense	339	844
Debt conversion exp.	2,266	—
Loss from cont. oper.	$ (13,494)	$ (13,824)
Income from discont. oper.	—	8,745
Cum. effect of change in accntg. princ.	—	(1,405)
Net Loss	$ (13,494)	$ (6,484)

Assets
(000's)

As of June 30	1987	1986
Cash	$ 1,781	$ 4,546
Accts. receiv., net	490	3,505
*Inventories	12,177	11,388
Prepaid expenses	488	565
Current Assets	$ 14,936	$ 20,004
#Fixed assets	12,596	15,553
Def. charges	1,342	1,254
Total Assets	$ 28,874	$ 36,811

Liabilities
(000's)

Short-term borrowings	$ 1,295	$ 3,850
Long-term debt, curr.	305	347
Accts. payable & accruals	7,421	5,689
Cust. deposits	4,506	5,006
Curr. Liabilities	$ 13,527	$ 16,692
Long-term debt	5,246	542
Convert. subord. deben.	9,437	12,521
+Common stock	101	82
Add. paid-in capital	40,226	33,143
Accumulated deficit	(39,663)	(26,169)
Total Liabilities & Shareholders' Equity	$ 28,874	$ 36,811

* At lower of cost (FIFO & specific identification) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

Sales to Inventories	6.99	7.43
Debt to Equity	10.31	0.96
Working Capital	$ 1,409,000	$ 3,312,000
Current Ratio	1.10	1.20
Shareholders' Equity	$ 664,000	$ 7,056,000

C & R Clothiers Inc.

8660 Hayden Place
Culver City, California 90232
(213) 559-8200

Officers: Paul S. Reisbord, chairman of the board & president; Burton L. Kieffer, secretary; Elinor Johns, v.p.-human resources; Dianne Thomas, v.p.-advertising, sales promotion; Evans Jonson, v.p.-field operations; Joel S. Adelman, v.p.-finance; John Olson, v.p.-mdse. planning; John Damiano, v.p.-mdse. buying; Jesse Stancarone, v.p.-management information systems; Harvery L. Kale, controller.

Directors: Paul S. Reisbord, chairman; Burton L. Kieffer, Harry Reisbord, Haya Reisbord.

Business Activities: Operates a chain of men's clothing stores located primarily in California.

Transfer Agent(s):

U.S. Stock Transfer Company
Glendale, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CLTH (NASDAQ)

Number of Stores: (at fiscal year end)

1988	61	1986	39
1987	43		

Sales & Earnings

	Net Sales	Net Income
1988	$ 82,317,380	$ 573,017
1987	62,115,468	1,514,312
1986	57,239,905	714,670
1985*	48,531,601	847,578
1984	38,299,501	623,764

	No. of Com. Shares #	Earn. per Share #
1988	1,012,466	$ 0.57
1987	1,040,670	1.46
1986	1,076,567	0.66
1985*	1,124,987	0.75
1984	1,275,953	0.49

* 53 weeks
# Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share #
1988	$ 7,884,911	$ 7.79
1987	7,388,404	7.10
1986	6,151,718	5.71
1985	5,690,661	5.06
1984	5,052,566	3.96

Based on the weighted average number of shares outstanding.

Income Account

Year ended	1/30/88	1/31/87
Net sales	$ 82,317,380	$ 62,115,468
Cost of sales	40,159,025	31,824,148
Expenses	39,599,629	26,364,170
Depreciation & amortization	593,436	580,314
Interest expense	645,283	380,524
Income before taxes	$ 1,020,017	$ 2,966,312
Income taxes	447,000	1,452,000
Net Income	$ 573,017	$ 1,514,312

Assets

As of Jan.	1/30/88	1/31/87
Cash	$ 1,802,607	$ 1,550,150
Emp. advances & other receiv.	727,773	572,467
*Inventories	15,874,068	11,808,321
Prepaid expenses	1,649,145	597,467
Income taxes	338,402	—
Deferred income taxes	—	42,310
Current Assets	$ 20,391,995	$ 14,570,715
#Fixed assets	5,524,789	3,440,669
Other assets	342,966	356,103
Total Assets	$ 26,259,750	$ 18,367,487

Liabilities

Notes payable	$ 3,704,996	$ 2,013,000
Accts. payable	7,706,791	4,173,239
Accruals	2,166,967	1,767,660
Income taxes	—	1,049,170
Capital lease obligation	—	21,941
Deferred income taxes	221,090	—
Curr. Liabilities	$ 13,799,824	$ 9,025,010
Notes payable	3,701,670	1,400,000
Deferred inc. taxes	895,536	554,073
Other liabilities	177,809	—
+Common stock	18,789	18,789
Add. paid-in capital	936,629	936,629
Retained earnings	8,652,066	8,079,049
Treasury stock	(1,722,573)	(1,646,063)
Total Liabilities & Shareholders' Equity	$ 26,259,750	$ 18,367,487

Statistical Summary

%Income bef. Taxes to Sales	1.24	4.78
%Net Income to Sales	0.70	2.44
%Net Income to Equity	7.27	20.50
Sales to Inventories	5.19	5.26
Debt to Equity	0.94	0.46
Working Capital	$ 6,592,171	$ 5,545,705
Current Ratio	1.48	1.61
Shareholders' Equity	$ 7,884,911	$ 7,388,404

Crazy Eddie, Inc.

140 Carter Drive
Edison, New Jersey 08817
(201) 248-1410

Officers: Victor H. Palmieri, chairman of the board; Elias Zinn, president & chief executive officer; Michael Wilcoxson, executive v.p.-operations & asst. secretary; David L. Yankey, executive v.p.-finance, treasurer, chief financial officer & asst. sec.; T. David Mullen, v.p., secretary & general counsel.

Directors: Victor H. Palmieri, chairman; Elias Zinn, Michael Wilcoxson, John P. Harbin, John A. Koukinen, Frank E. Loy, Peter A. Martosella, Jr., Lawrence C. McQuade, Rex A. Sebastian, John V. Thornton.

Business Activities: Operates 42 home entertainment and consumer electronics retail stores in New York, New Jersey, Connecticut, and Pennsylvania under the Crazy Eddie name.

Transfer Agent(s):

Bank Leumi
New York, New York

Stock Exchange(s): Over-the-Counter.

Ticker Symbol: CRZY (NASDAQ)

Number of Stores: (at fiscal year end)

1988	42	1985	15
1987	34	1984	13
1986	23		

Sales & Earnings

	Net Sales	Net Income
1988	$ 315,539,000	$ (109,098,000)
1987	352,523,000	10,596,000
1986	262,268,000	13,244,000
1985*	136,319,000	5,829,000
1984	137,285,000	3,773,000

	No. of Com. Shares ‡	Earn. per Share ‡
1988	30,957,000	$ —
1987	31,204,000	0.34
1986	27,664,000	0.48
1985*	24,212,000	0.24
1984	20,000,000	0.18

(Loss)
* 9 months.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	—	—	—
1987	—	—	2-for-1
1986	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	$ (18,756,000) †	$ —
1987	93,260,000	2.99
1986	42,621,000	1.54
1985	23,861,000	0.99
1984	6,224,000	0.31

(Deficiency)
† After allowing for preferred stock at liquidation value.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Income Account * (000's)

Year ended	2/28/88	3/1/87
Net sales	$ 315,539	$ 352,523
Cost of sales	346,791	272,255
Expenses	96,195	60,329
Interest expense (income)	5,972	(658)
Income (loss) before taxes	$ (133,419)	$ 20,597
Income taxes (credit)	(24,321)	10,001
Net Income (Loss)	$ (109,098)	$ 10,596

* Included in Costs and Expenses, Depreciation and Amortization: $4,305,000 in 1988 and $2,480,000 in 1987.

Assets (000's)

As of	2/28/88	3/1/87
Cash	$ 5,100	$ 9,347
Short-term invest.	9,846	121,957
Accts. receiv., net	3,529	6,346
*Inventories	79,444	109,072
Prepaid inc. taxes	32,077	4,500
Prepaid expenses	2,846	6,613
Deferred inc. taxes	—	4,026
Current Assets	$ 112,842	$ 261,861
Deferred inc. taxes	—	1,668
#Fixed assets	32,949	26,523
Other assets	3,008	4,806
Total Assets	$ 148,799	$ 294,858

Liabilities (000's)

Short-term debt	$ 24,500	$ 49,286
Long-term debt, curr.	153	285
Accts. payable	42,752	50,022
Unearned service contract rev.	3,861	3,641
Other accruals	9,332	5,593
Curr. Liabilities	$ 80,598	$ 108,827
Long-term debt	632	8,459
Conv. subord. deben.	80,975	80,975
Unearned service contract rev.	5,332	3,337
+Preferred stock	18	—
++Common stock	315	313
Add. paid-in capital	58,630	57,678
Retained earnings	(73,829)	35,269
Treasury stock	(3,872)	—
Total Liabilities & Shareholders' Equity	$ 148,799	$ 294,858

* At lower of weighted average cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value. 12 1/2% cumulative, redeemable, convertible.
++ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	5.84
%Net Income to Sales	—	3.01
%Net Income to Equity	—	11.36
Sales to Inventories	5.31	3.23
Debt to Equity	—	0.62
Working Capital	$ 32,244,000	$ 15,034,000
Current Ratio	1.40	2.41
Shareholders' Equity (Deficiency)	$ (18,738,000)	$ 93,260,000

Crocodile Garments Limited

79 Hoi Yuen Road
Kwun Tong, Hong Kong
3-425111

Officers: Shun Chan, chairman & managing director; Tom S. H. Chan, deputy managing director; Tan Chow Ng, executive director; Helen Li, executive director; Charles Y. K. Lee, Caleb Y. M. Chan, John C. N. Chui, secretary.

Business Activities: Operates retail stores in Hong Kong which sell men's, ladies' and children's clothing. Also, manufactures, imports and exports a wide variety of garments.

Subsidiaries:

Crocodile Investment Limited
Crocodile Development Limited
Crocodile Finance Limited
Crocodile Marketing System Limited
The Palm Restaurant Limited
Costroli Company Limited
Dackart Trading Company Limited
Crocodile Garments (U.S.) Limited

Registrar:

Peat, Marwick, Mitchell & Co.

Stock Exchange(s): Hong Kong

Sales & Earnings x

	Net Sales	Net Income
1987	$ 500,238,961	$ 58,262,726
1986	442,406,360	46,255,579

	No. of Com. Shares	Earn. per Share ‡
1987	110,000,000	$ 0.53
1986	110,000,000	0.42

x - In Hong Kong dollars.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	$ 0.40	—	—
1986	0.40	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1987	$ 196,573,781	$ 1.79
1986	182,311,055	1.66

Income Account *

Year ended Mar. 31	1987	1986
Net sales	$ 500,238,961	$ 442,406,360
Cost of sales & expenses	430,239,733	386,251,776
Income before taxes	$ 69,999,228	$ 56,154,584
Income taxes	11,736,502	9,899,005
Net Income	$ 58,262,726	$ 46,255,579

* Included in Costs and Expenses, Depreciation and Amortization: $4,456,037 in 1987 and $4,364,481 in 1986.

Assets

As of		
Cash	$ 2,095,735	$ 19,170,618
Debtors, deposits and prepayments	17,522,744	22,218,792
*Stocks	85,553,230	81,677,533
Current Assets	$ 105,171,709	$ 123,066,943
Interest in subsid.	122,869,775	59,614,643
#Fixed assets	19,928,358	19,328,949
Trademarks	1	1
Total Assets	$ 247,969,843	$ 202,010,536

Liabilities

Bank loans and overdrafts	$ 7,049,928	$ 2,957,011
Accts. payable	3,812,012	6,949,277
Accruals	21,428,109	13,731,809
Taxation	4,369,568	29,200
Proposed final dividend	27,500,000	25,300,000
Curr. Liabilities	$ 64,159,617	$ 48,967,297
Long-term debt	24,000,000	—
+Common stock	110,000,000	110,000,000
Reserves	40,000,000	40,000,000
Retained earnings	9,810,226	3,043,239
Total Liabilites & Shareholders' Equity	$ 247,969,843	$ 202,010,536

* At lower of cost (FIFO) or net realizable value.
# Less accumulated depreciation and amortization.
+ HK$1 par value.

Statistical Summary

%Income bef. Taxes to Sales	13.99	12.69
%Net Income to Sales	11.65	10.46
%Net Income to Equity	36.46	30.22
Sales to Inventories	5.85	5.42
Debt to Equity	0.19	0.02
Working Capital	$ 41,012,092	$ 74,099,646
Current Ratio	1.64	2.51
Shareholders' Equity	$ 159,810,226	$ 153,043,239

Crowley, Milner and Company

2301 West Lafayette
Detroit, Michigan 48216
(313) 962-2400

Crowley, Milner and Company

Officers: Robert B. Carlson, chairman; Andrew J. Soffel, president & chief executive officer; Thomas C. McCracken, v.p.-stores & chief operating officer; David Rogers, v.p.-human resources; Mark A. VandenBerg, treasurer & secretary.

Directors: Alfred M. Entenman, Jr.*, Richard S. Keys, Charles R. Montgomery, Norbert A. Sylvester*, Robert E. Winkel*, Robert B. Carlson*, Paul R. Trigg, Jr.*, Joseph C. Keys*, JoAnn Standart Cousino*, Andrew J. Soffel, Julius L. Pallone.

* Member of the Executive Committee

Business Activities: Operates stores in the Detroit metropolitan and suburban Flint, Michigan, areas, retailing medium and high quality men's, women's and children's apparel and accessories.

Transfer Agent(s):

Comerica Bank-Detroit
Detroit, Michigan

Stock Exchange(s): American

Ticker Symbol: COM

Number of Stores: (at fiscal year end)

1988	11	1985	9
1987	12	1984	9
1986	10		

Sales & Earnings

	Net Sales ‡	Net Income
1987	$ 113,734,927	$ (1,902,439)
1986	112,961,154	1,739,633
1985	104,087,278	1,815,000
1984	92,927,448	2,391,000
1983	84,499,601	1,802,000

	No. of Com. Shares	Earn. per Share
1987	509,067	$ —
1986	509,067	3.42
1985	509,067	3.57
1984	509,067	4.70
1983	509,067	3.54

(Loss)
‡ Including sales of leased department.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	$ 1.00	—	—
1986	1.00	—	—
1985	1.25	—	—
1984	1.00	—	—
1983	0.73	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1987	$ 19,109,000	$ 37.54
1986	21,521,000	42.28
1985	20,290,000	39.86
1984	19,112,000	37.54
1983	17,230,000	33.85

Income Account*

Year ended Jan. 31	1988	1987
Net sales	$ 113,734,927	$ 112,961,154
Other income	218,540	827,250
Total income	$ 113,953,467	$ 113,788,404
Cost of sales	70,487,787	67,285,899
Expenses	42,013,304	41,109,565
Restructuring charge	2,298,461	—
Interest expense	1,719,262	1,796,768
Other charges	1,020,092	1,098 539
Income (loss) bef. taxes	$ (3,585,439)	$ 2,497,633
Income taxes (credit)	(1,683,000)	758,000
Net Income (Loss)	$ (1,902,439)	$ 1,739,633

* Included in Costs and Expenses, Depreciation: $2,823,266 in 1987 and $2,445,764 in 1986.

Assets

As of Jan. 31	1988	1987
Cash & short-term investments	$ 3,346,212	$ 4,236,896
Accts. receiv., net	704,765	952,360
*Inventories	16,112,914	18,441,061
Prepaid prop. taxes	1,479,084	1,235,251
Employee benefits	582,211	943,629
Other assets	1,268,092	1,330,821
Refundable inc. taxes	1,061,956	—
Deferred income taxes	62,000	101,000
Current Assets	$ 24,617,232	$ 27,241,018
#Fixed assets	20,879,367	25,257,448
Other assets	2,148,474	2,213,676
Total Assets	$ 47,645,073	$ 54,712,142

Liabilities

Long-term debt, curr	$ 430,000	$ 495,000
Cap. lease oblig. curr.	379,418	359,138
Property taxes	1,831,499	1,530,942
Accts. payable	7,245,263	8,958,497
Accrued payroll	850,509	1,106,284
Income taxes	150,761	1,111,396
Other taxes	355,579	596,554
Curr. Liabilities	$ 11,243,029	$ 14,157,811
Long-term debt	10,990,000	12,220,000
Cap. lease oblig.	3,829,108	4,208,476
Deferred inc. taxes	1,504,000	1,767,000
Other liabilities	969,616	838,029
+Common stock	509,067	509,067
Add. paid-in capital	2,240,558	2,240,558
Retained earnings	16,359,695	18,771,201
Total Liabilities & Shareholders' Equity	$ 47,645,073	$ 54,712,142

* At lower of cost or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	2.27
%Net Income to Sales	—	1.54
%Net Income to Equity	—	8.08
Debt to Equity	0.82	0.80
Working Capital	$ 13,374,203	$ 13,083,207
Current Ratio	2.19	1.92
Shareholders' Equity	$ 19,109,320	$ 21,520,826

Crown American Corporation

131 Market Street
Johnstown, Pennsylvania 15907
(814) 536-4441

NOTE: Privately held.

Officers: (Hess's Department Stores, Inc.), Irwin Greenberg, president & chief exec. officer; Duane F. White, sr. v.p.-finance & accounting; Stephen J. Furst, exec. v.p.-operations; Joseph Bigatel, sr. v.p. & general merchandise manager home furnishings; Larry Baughman, v.p. & div. merchanidse mgr.-housewares; Fred Bentelspacher, sr. v.p., director of sales promotion & public relations; Howard Coleman, exec. v.p.-merchandising; Richard Kula, v.p. & director-management information systems; John Murphy, v.p. & director-planning & operations; Wolfgang Otto, v.p. & director-graphic communications; James Quigley, v.p. & director-distribution; Nick Baxevane, v.p. & gen. mdse. mgr.-menswr., c'hld.'s intimate app., women's access.; Carol Clarke, v.p. & div. mdse. mgr.-cosmetics; Dennis DeFrain, v.p. mdse. controller; Kenneth A. Hinkle, II, sr. v.p.-budgets and controls; Richard Johnson, v.p. & div. mdse. mgr.-intimate apparel & fashion accessories; Adolf Klova, v.p.-director of advertising; Walter Loyle, v.p. & div. mdse. mgr.-boys' and young men's; Cindy Schneider, v.p. & gen. mdse. mgr.-misses sportswear; William Jenkins, v.p. & dir.-data processing; Bruce Kratz, v.p. & dir.-personnel; Cal Matichak, v.p. & reg. dir.-central Pennsylvania stores; James Miller, v.p. and asst. dir.-distribution; Scott Ratarsky, v.p. & dir.-stores, southern region; Manny Stratos, v.p. & div. mdse. mgr.-furniture; Kathy Tyminski, v.p. & div. mdse. mgr.-misses better sportswear.

Directors: (Crown American Corporation , Hess's Department Stores, Inc.); Frank J. Pasquerilla, chairman; Irwin Greenberg, Marlin R. Havener, Fred Bentelspacher, Duane F. White, Nicholas O. Antonazzo, Joseph W. Bigatel, Stephen J. Furst, Mark E. Pasquerilla, Nicholas J. Pasquerilla, Thomas G. Fetsko, Howard Coleman, Paul K. Kiever, John A. Washko, Kenneth A. Hinkle, II.

Business Activities: Through its Hess's Department Stores, Inc. subsidiary, the Company operates full-time department stores in Pennsylvania, New York, Maryland, Virginia, Tennessee, Georgia, Kentucky, North Carolina, Indiana and West Virginia. Also develops shopping centers and operates 12 hotels.

Subsidiary:

Hess's Department Stores, Inc.
Hamilton Mall at Ninth Street
Allentown, Pennsylvania 18101
(215) 821-4377

Acquisitions:

Millers Retail Stores Corporation
Knoxville, Tennessee
Operates 12 department stores in Tennessee, Virginia and Georgia.

Snyder's, Inc.
Louisville, Kentucky
Operates 14 department stores in Kentucky, Indiana and Tennessee.

Number of Stores: (at fiscal year end)

1987	71	1984	37
1986	43	1983	32
1985	40		

Sales & Earnings

	Net Sales	Net Income
1988	$ 516,656,000	$ 10,669,000
1987	367,545,000	15,822,000
1986	330,706,000	14,618,000
1985	273,590,000	11,651,000
1984	247,487,000	8,636,000

Income Account *
(000's)

Year ended Jan. 31	1988	1987
Net sales	$ 516,565	$ 367,545
Cost of sales	383,124	270,703
Expenses	94,282	60,663
Interest expense	14,474	7,422
Interest income	(1,535)	(2,860)
Discount expense	7,931	5,996
Gain on sale of rl. est.	(13)	(898)
Income before taxes	$ 18,302	$ 26,519

Income taxes	7,633	10,697
Net Income	$ 10,669	$ 15,822

* Included n Costs and Expenses, Depreciation and Amortization: $15,381,000 in 1988 and $10,899,000 in 1987.

Assets
(000's)

As of Jan. 31	1988	1987
Cash	$ 9,427	$ 3,974
Short-term invest.	26,500	60,158
*Inventories	108,384	59,482
Prepaid expenses	6,342	3,801
Deferred inc. taxes	453	—
Current Assets	$ 151,106	$ 127,415
#Fixed assets	134,201	84,850
Other assets	2,316	1,094
Intangibles	59,028	1,258
Total Assets	$ 346,651	$ 214,617

Liabilities
(000's)

Long-term debt, curr.	$ 12,211	$ 6,725
Accts. payable	43,481	26,593
Co-worker compens.	5,177	2,658
Accruals	16,045	6,955
Deferred gain on sale-leaseback	378	—
Income taxes	6,832	6,664
Curr. Liabilities	$ 84,124	$ 49,595
Long-term debt	147,416	62,298
Deferred gain on sale-leaseback	4,763	—
Deferred inc. taxes	1,713	4,758
+Common stock	1,460	1,460
Add. paid-in capital	8,517	8,517
Retained earnings	99,289	88,620
Treasury stock	(631)	(631)
Total Liabilities & Shareholders' Equity	$ 346,651	$ 214,617

* At LIFO cost.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	3.54	7.22
%Net Income to Sales	2.07	4.30
%Net Income to Equity	9.82	16.15
Sales to Inventories	4.77	6.18
Debt to Equity	1.47	0.70
Working Capital	$ 66,982,000	$ 77,820,000
Current Ratio	1.80	2.57
Shareholders' Equity	$ 108,635,000	$ 97,966,000

Crown Books Corporation

3300 75th Avenue
Landover, Maryland 20785
(301) 731-1200

(52.8% owned by Dart Group Corporation)

Officers: Herbert H. Haft, chairman of the board; Robert M. Haft, president & chief executive officer; Gloria G. Haft, secretary; Jeanne Herrick, exec. vice president; Jose Gonzalez, exec. vice president; Richard J. Koll, treasurer; Miriam Bass, asst. v.p.; Mary Anne Deeney, asst. v.p.; Judy Evans, asst. v.p.; Steve Hall, asst. v.p.; George Turner, asst. v.p..

Directors: Herbert H. Haft, chairman; Robert M. Haft, Gloria G. Haft, James G. Leonard.

Business Activities: Operates specialty retail book stores in the Washington D.C., Chicago, Houston, Los Angeles, San Francisco, San Diego, and Seattle metropolitan areas, offering hardback books, paperbacks, magazines, and computer books and software generally below publishers' suggested retail prices.

Transfer Agent(s):

Riggs National Bank
Washington, Washington D.C.

Stock Exchange(s): Over-the-Counter.

Ticker Symbol: CRWN (NASDAQ)

Number of Stores: (at fiscal year end)

1988	204	1985	181
1987	199	1984	158
1986	187		

Sales & Earnings

	Net Sales	Net Income
1988	$ 168,979,000	$ 6,182,000
1987	154,341,000	5,500,000
1986	137,245,000	6,680,000
1985	114,439,000	6,481,000
1984	91,360,000	4,867,000

	No. of Com. Shares ‡	Earn. per Share ‡
1988	5,277,000	$ 1.17
1987	6,258,000	0.88
1986	8,005,000	0.83
1985	8,000,000	0.81
1984	6,696,000	0.73

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	$ 54,680,000	$ 10.36
1987	48,911,000	7.82
1986	80,420,000	10.04
1985	73,720,000	9.22
1984	67,239,000	10.04

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account
(000's)

Year ended Jan. 31	1988	1987
Net sales	$ 168,979	$ 154,341
Other income	2,701	3,112
Total income	$ 171,680	$ 157,453
Cost of sales	134,289	122,778
Expenses	22,600	20,325
Depreciation & amortization	2,296	2,257
Interest expense	902	1,183
Income bef. taxes	$ 11,593	$ 10,910
Income taxes	5,411	5,410
Net Income	$ 6,182	$ 5,500

Assets
(000's)

As of Jan. 31	1988	1987
Cash	$ 4,367	$ 6,784
Market securities	43,641	37,102
Accts. receiv., net	2,602	2,121
Due from affil.	8	—
*Inventories	34,111	31,253
Other curr. assets	303	220
Current Assets	$ 85,032	$ 77,480
#Fixed assets	7,541	9,421
Other assets	135	155
Total Assets	$ 92,708	$ 87,056

Liabilities
(000's)

Cap. lease oblig., curr.	$ 1,314	$ 2,438
Accts. payable	21,421	22,843
Accrued payroll	1,805	890
Accrued taxes	1,043	1,066
Other accruals	2,952	2,778
Due to affiliates	—	90
Income taxes	2,634	707
Deferred inc. taxes	8	805
Curr. Liabilities	$ 31,177	$ 31,617
Cap. lease oblig.	4,498	5,774
Reserve for closed stores	2,269	—
Deferred inc. taxes	84	754
+Common stock	53	53
Add. paid-in capital	37,841	37,840
Retained earnings	17,200	11,018
Treasury stock	(414)	—
Total Liabilities & Shareholders' Equity	$ 92,708	$ 87,056

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	6.86	7.07
%Net Income to Sales	3.66	3.56
%Net Income to Equity	11.31	11.24
Sales to Inventories	4.95	4.94
Debt to Equity	0.11	0.17
Working Capital	$ 53,855,000	$ 45,863,000
Current Ratio	2.73	2.45
Shareholders' Equity	$ 54,680,000	$ 48,911,000

Crystal Brands, Inc.

Crystal Brands Road
Southport, Connecticut 06490
(203) 254-6200

Officers: Richard R. Kral, chairman of the board & chief exec. officer; Gerald M. Chaney, v.p., controller & treasurer; Edward B. Dailey, v.p. & chief financial officer; Marvin Lord, president-Youthwear; Micheal B. McLearn, v.p., general counsel & secretary; Charles J. Smith, president-Special Markets Group; Robert J. Wichser, president-Women's Apparel Group; Jay Shaw, president-Men's Apparel Group; Brian J. Tart, president-Accessories Group; James D. Wilson, v.p.-human resources; John Schofield, v.p.-worldwide sourcing; Theodore R. Voss, asst. gen. counsel & asst. secretary.

Directors: Richard F. Kral, chairman; John H. Mullin, III, Francis C. Rooney, Jr., Gorden E. Allen, Allan J. Bloustein.

Business Activities: Operates Fashion Flair retail stores that sell Izod and Lacoste discontinued apparel and excess inventory and out-of-season Ship'n Shore apparel. Operates six apparel departments in department stores located throughout the country. Also manufactures and markets men's, women's and children's apparel under the Izod, Lacoste, Ship'n Shore and Haymaker brands, and costume jewelry and accessories under the brand names Monet, Yves St. Laurent and Evoke.

Divisions and Subsidiaries:

Izod, Ltd.
Men's, women's and children's sportswear.

Haymaker Sports, Inc.
Women's sportswear.

Fashion Flair, Inc.
Retail operations.

Crystal Brands, Inc.

Golf & Tennis Division
Active sportswear for men, women and children.

Ship'n Shore, Inc.
Bridgewater-at-Aston
Aston, Pennsylvania 19014
(215) 494-2000
Apparel for women.

Monet
P.O. Box 376
Murray Hill Station
New York, New York 10016
(212) 725-4700
Fashion jewelry.

Transfer Agent(s):

The Bank of New York
Stock Transfer Administration
90 Washington Street
New York, New York 10015

Stock Exchange(s): New York

Ticker Symbol: CBR

Number of Stores: (at fiscal year end)

1987	N.A.	1985	45
1986	45		

N.A.- Not Available

Sales & Earnings

	Net Sales	Net Income †
12/27/87	$ 359,814,000	$ 15,993,000
12/28/86*	367,607,000	8,572,000
5/25/86	395,035,000	2,385,000
5/26/85	481,930,000	(43,372,000)
5/27/84	514,955,000	12,741,000

	No. of Com. Shares ‡	Earn. per Share ‡ †
12/27/87	8,966,489	$ 1.78
12/28/86*	8,956,454	0.96
5/25/86	8,953,887	0.27

(Loss)
* Unaudited.
† Including extraordinary gain of $2,626,000 ($0.29 per share) in 1987.
‡ Based on the weighted average number of common shares outstanding during the year.

Common Stock Equity

	Total Equity	Equity Per Share ‡
12/27/87	$ 205,937,000	$ 22.97
12/28/86	188,657,000	21.06
5/25/86	187,845,000	20.98

‡ Based on the weighted average number of common shares outstanding during the year.

Income Account *
(000's)

Year ended	12/27/87	12/28/86 (unaudited)
Net sales	$ 359,814,000	$ 367,607,000
Cost of sales	230,020,000	246,060,000
Expenses	102,443,000	105,191,000
Interest expense	3,729,000	4,821,000
Inc. before taxes	$ 23,622,000	$ 11,535,000
Income taxes	10,255,000	2,963,000
Net income	$ 13,367,000	$ 8,572,000
Extraord. gain	2,626,000	—
Net income & extraord. gain	$ 15,993,000	$ 8,572,000

* Included in Costs and Expenses, Depreciation and Amortization: $8,136,000 in 1987 and $8,072,000 in 1986.

Assets
(000's)

As of	12/27/87	12/28/86
Cash & short-term investments	$ 72,205	$ 44,931
Acct. receiv., net	43,771	44,122
Other curr. assets	2,666	10,376
*Inventories	91,117	97,755
Current Assets	$ 209,759	$ 197,184
Investments & other assets	43,688	42,058
#Fixed assets	52,015	56,985
Total Assets	$ 305,462	$ 296,227

Liabilities
(000's)

Short-term debt & long-term debt, curr.	$ 5,736	$ 10,785
Accts. payable	12,317	14,161
Accruals	11,348	15,205
Accrued payroll	9,537	6,686
Other accruals	5,048	5,734
Curr. Liabilities	$ 43,986	$ 52,571
Long-term debt	50,228	50,303
Deferred inc. taxes & other liab.	5,311	4,696
+Common stock	185,975	185,950
Retained earnings	17,598	2,053
Cum. for. curr. trans.	2,364	654
Total Liabilities & Shareholders' Equity	$ 305,462	$ 296,227

* At lower of cost (FIFO) or market; certain domestic inventories at LIFO.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	6.57	3.14
%Net Income to Sales	3.71	2.33
%Net Income to Equity	6.49	4.54
Sales to Inventories	3.95	3.76
Debt to Equity	0.27	0.32
Working Capital	$ 165,773,000	$ 144,613,000
Current Ratio	4.77	3.75
Shareholders' Equity	$ 205,937,000	$ 188,657,000

CWT Specialty Stores Incorporated

505 Collins Street
South Attleboro, Massachusetts 02703
(617) 99-6000

Officers: Gerald A. Gura, chairman of the board, president & chief executive officer; John T. Magnarelli, executive v.p., treasurer & chief financial officer; Kathleen J. George, sr. v.p. & general merchandise manager; Herbert W. Swain, sr. v.p.-store operations; Robert W. Evans, v.p. & controller; Thomas F. Augur, v.p. & sr. divisional merchandise manager; Arnold I. Baskin, v.p. & divisional merchandise manager; Joan B. Karter, v.p. & divisional merchandise manager; Gerald Norrow, v.p. & divisional merchandise manager.

Directors: Gerald A. Gura, chairman of the board; John T. Magnarelli, Marc C. Bergschneider, Robert M. Elliott, David R. Kiarsis, Alton J. O'Neill, Peter W. Smith.

Business Activities: Operates a retail chain of 59 women's specialty stores, principally in Massachusetts, Rhode Island, Connecticut and New Hampshire, doing business as CWT/Cherry Webb & Tournine. These stores offer a full line of apparel and accessories for women 15 to 50 years of age.

Subsidiary:

Computerized Retail Systems, Inc.
(50% owned)
Middletown, Connecticut
Provides substantially all the data processing and inventory control systems for CWT.

Transfer Agent(s):

The First National Bank of Boston
Boston, Massachusetts

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CWTI (NASDAQ)

Number of Stores: (at fiscal year end)

1987	55	1984	42
1986	50	1983	41
1985	47		

NOTE: CWT Specialty Stores, Inc. was acquired by the Company on March 14, 1986. For financial reporting purposes, the effective date of the acquisition was determined to be Feb. 22, 1986. The Company's Income Statement is presented on a pro forma basis for the year ended Jan. 31, 1987, as if the acquisition occurred on Jan. 25, 1986.

Sales & Earnings

	Net Sales	Net Income †
1987 + *	$ 111,628,000	2,936,000
1986 #	95,708,000	6,152,000
1985 #	80,467,000	4,524,000
1984 #	70,091,000	4,833,000
1983 #	59,539,000	1,421,000

	No. of Com. Shares ‡	Earn per. Share † ‡
1987 + *	4,320,000	$ 0.68

\+ Pro forma.
* 53 weeks.
# Predecessor company.
† Including extraordinary gain of $884,000 in 1984.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business
(000's)

	1987	1986
Mines	$ 44,834	$ 37,799
Juniors	25,723	21,684
Footwear	9,687	8,168
Cosmetics	8,871	7,307
Children's	4,345	3,897
Jewelry	4,201	3,486
Miscellaneous	13,967	13,367
Total	$ 111,628	$ 95,708

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	$ 5,579,000	$ 1.29
1986 #	17,427,000	—
1985 #	11,275,000	—
1984 #	6,751,000	—
1983 #	1,792,000	—

Predecessor company.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account

Year ended Jan. 31	1987 (11 months)
Net sales	$ 106,549,000
Cost of sales	57,015,000
Expenses	33,473,000
Depreciation & amortization	1,754,000
Interest expense	5,897,000
Other expense	136,000
Income bef. taxes	$ 8,274,000
Income taxes	4,695,000
Net Income	$ 3,579,000

Assets

As of Jan. 31	1987
Cash	$ 362,000
Accts. receiv., net	22,113,000
*Inventories	16,523,000
Prepaid expenses	1,404,000
Current Assets	$ 40,402,000
#Fixed assets	9,598,000
Intangibles	22,860,000
Deferred debt issuance costs	2,376,000
Other assets	991,000
Total Assets	$ 76,227,000

Liabilities

Long-term debt., curr.	$ 343,000
Accts. payable	7,369,000
Accruals	7,036,000
Income taxes	2,773,000
Deferred income taxes	3,189,000
Curr. Liabilities	$ 20,710,000
Long-term debt	49,325,000
Other liabilities	613,000
+ Common stock	43,000
Add. paid-in capital	1,957,000
Retained earnings	3,579,000
Total Liabilities & Shareholders' Equity	$ 76,227,000

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	7.77
%Net Income to Sales	3.36
%Net Income to Equity	64.15
Sales to Inventories	6.45
Debt to Equity	8.90
Working Capital	$ 19,692,000
Current Ratio	1.95
Shareholders' Equity	$ 5,579,000

Dairy Mart Convenience Stores, Inc.

240 South Road
Enfield, Connecticut 06082
(203) 741-3611

Officers: Charles Nirenberg, chairman, chief exec. & operating officer & president; Lawrence D. Handler, exec. v.p. & chief financial officer; Steven J. Montgomery, v.p.-operations; Frank Colaccino, v.p.-corp. development; Robert T. Johnson, v.p.-administration; Mitchell J. Kupperman, v.p.-human resources.

Directors: Charles Nirenberg, chairman; Stanford N. Goldman, Jr., Janet Nirenberg, Frank W. Barrett, Lawrence D. Handler, Theodore W. Leed, Steven J. Montgomery.

Business Activities: Operates 1,188 convenience stores in 11 states, of which 788 stores are owned by the Company and 400 are franchised.

Divisions and Subsidiaries:

Dairy Mart, Inc.
Enfield, Connecticut
Operates Dairy Mart convenience stores in the East.

Midwest Division
Cuyahoga Falls, Ohio
Operates convenience stores in the Midwest under the Dairy Mart and Open Pantry names.

CONNA Corporation
Louisville, Kentucky
Operates 280 convenience stores under the Convenient Food Mart name and 271 gas stations under the Convenient Gas name.

Transfer Agent(s):

American Stock Transfer Company
99 Wall Street
New York, New York 10005

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DMCVA (Class A), DMCVB (Class B) (NASDAQ)

Number of Stores:*

1988	1,188	1986	933
1987	1,207		

* Includes franchised stores.

Sales & Earnings

	Net Sales	Net Income †
1988	$ 529,540,120	$ 4,023,000
1987	399,006,000	(3,516,000)
1986	257,666,000	2,217,000
1985	72,622,000	1,292,000
1984	63,492,000	1,022,000

	No. of Com. Shares ‡	Earn. per Share ‡ †
1988	4,690,000	$ 0.86
1987	4,593,000	—
1986	3,137,000	0.71
1985	2,566,000	0.50
1984	2,192,000	0.47

(Loss)
† Including extraordinary gain of $300,000 ($0.06 per share) in 1988.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	—	—	—
1987	—	—	—
1986	—	10%	—
1985	—	10%	—
1984	—	100%	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	$ 29,118,000	$ 6.21
1987	26,724,000	5.82
1986	29,634,000	9.45
1985	6,794,000	2.65
1984	5,830,000	2.66

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.

Income Account

Year ended Jan. 31	1988	1987
Net sales	$ 529,540,120	$ 399,006,007
Cost of sales	384,833,950	284,119,657
Expenses	129,832,117	108,801,739
Interest expense	8,044,922	6,944,507
Interest income	(85,317)	(384,937)
Writedown of carrying value	280,213	439,652
Gain on sale of prop.	(226,354)	(164,876)
Other expense	189,291	3,300,000
Income (loss) before taxes	$ 6,671,298	$ (4,049,735)
Income taxes (credit)	2,948,000	(534,000)
Net Income (Loss)	$ 3,723,298	$ (3,515,735)
Extraord. gain	300,000	—
Net Income (Loss) + extraord. gain	$ 4,023,298	$ (3,515,735)

* Included in Costs and Expenses, Depreciation and Amortization: $10,420,179 in 1988 and $8,200,489 in 1987.

Assets

As of Jan. 31	1988	1987
Cash	$ 1,159,687	$ 5,821,051
Marketable securities	298,100	4,262,850
Accts. receiv., net	5,523,301	6,491,964
*Inventories	27,516,877	27,368,915
Prepaid expenses	2,716,270	2,519,358
Refund. inc. taxes	1,962,332	—
Current Assets	$ 39,176,567	$ 46,464,138
#Fixed assets	71,314,484	65,473,703
Other assets	32,482,447	34,603,982
Total Assets	$ 142,973,498	$ 146,541,823

Liabilities

Long-term debt, curr.	$ 1,206,839	$ 12,075,068
Cap. lease oblig., curr.	817,801	824,382
Accts. payable	22,975,002	22,859,213
Accruals	11,949,257	9,329,746
Curr. Liabilities	$ 36,948,899	$ 45,088,409
Long-term debt	66,724,492	64,418,000
Cap. lease oblig.	4,992,599	5,730,169
Reserve for pension withdrawal liab.	2,900,000	3,300,000
Other liabilities	637,857	985,880
Deferred inc. taxes	1,651,800	295,800
+Common stock	47,088	46,534
Add. paid-in capital	36,059,025	25,623,975
Retained earnings	5,135,848	1,112,550
Treasury stock	(2,124,090)	(59,502)
Total Liabilities & Shareholders' Equity	$ 142,973,498	$ 146,541,823

* At lower of cost (primarily LIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Dairy Mart Convenience Stores, Inc.

Statistical Summary

%Income bef. Taxes to Sales	1.26	—
%Net Income to Sales	0.70	—
%Net Income to Equity	12.79	—
Sales to Inventories	19.24	14.58
Debt to Equity	2.53	3.11
Working Capital	$ 2,227,668	$ 1,375,729
Current Ratio	1.06	1.03
Shareholders' Equity	$ 29,117,851	$ 26,723,557

Danners, Inc.

(Acquired by Indian LP, a private corp., on Dec. 29, 1987)

800 East Main Street
P.O. Box 2010
Sanford, North Carolina 27330
(919) 776-7611

Officers: Fred W. Concklin, chairman & chief executive officer; C. David Birdwell, president & chief operating officer; C. Wilson Sawyer, executive v.p.; Sharon L. Ferrell, sr. v.p.-finance, chief financial officer, secretary & treasurer; Robert C. Boisinger, v.p.-finance & controller; .

Directors: Fred W. Concklin, chairman of the board; C. David Birdwell, Robert H. Reynolds, Eric A. Schwartz, Michael L. Schwartz, L. Gene Tanner.

Business Activities: Operates a chain of eighteen 3D Discount Department Stores in Indiana and Michigan.

Divisions and Subsidiaries:

3D Discount Store Division
Dumax International, Inc.
DRE, Inc.

Number of Stores: (at fiscal year end)

	Discount Stores	Variety Stores
1986	18	—
1985	36	—
1984	35	12
1983	35	12
1982	35	23

Sales & Earnings x

	Net Sales	Net Income
1986	$ 149,718,000	$ (19,118,000)
1985	171,313,000	(365,000)
1984*	189,022,000	(302,000)
1983	166,065,899	(728,000)
1982	163,217,583	742,000

	No. of Com. Shares ‡	Earn. per Share ‡
1986	488,295	$ —
1985	488,295	—
1984*	488,295	—
1983	488,295	—
1982	488,295	1.52

(Loss)
* 53 weeks.
x Restated to reflect change in inventory cost method from LIFO to FIFO.
‡ Based on the average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1986	$ —	—	—
1985	—	—	—
1984	0.20	—	—
1983	0.10	—	—
1982	0.20	—	—

Common Stock Equity x

	Total Equity	Equity Per Share ‡
1986	$ (3,646,000)	$ —
1985	15,472,000	31.69
1984	15,837,000	32.43
1983	16,237,000	33.25
1982	17,014,000	34.84

(Deficiency)
x Restated.
‡ Based on the average number of common shares and common share equivalents outstanding.

Income Account

Year ended	1/31/87	2/1/86‡
Net sales	$ 149,718,000	$ 171,313,000
Other income	1,745,000	1,400,000
Gain (loss) on disposition	(1,976,000)	763,000
Total income	$ 149,487,000	$ 173,476,000
Cost of sales	123,498,000	128,820,000
Expenses	32,879,000	38,841,000
Depreciation & amortization	1,867,000	2,214,000
Interest expense	3,184,000	3,975,000
Loss on dispos. of disc. div. units	7,138,000	—
Loss bef. taxes	$ (19,079,000)	$ (374,000)
Income taxes (credit)	39,000	(9,000)
Net Loss	$ (19,118,000)	$ (365,000)

Assets

As of	1/31/87	2/1/86‡
Cash	$ 284,000	$ 1,145,000
*Inventories	11,847,000	37,539,000
Assets held for dispos.	4,265,000	—
Prepaid expenses	654,000	1,801,000
Current Assets	$ 17,050,000	$ 40,485,000
#Fixed assets	11,690,000	16,583,000
Other assets	2,888,000	5,641,000
Total Assets	$ 31,628,000	$ 62,709,000

Liabilities

Notes payable	$ 3,000,000	—
Accts. payable	9,178,000	9,611,000
Accrued payroll	584,000	446,000
Other accruals	429,000	1,591,000
Local taxes	1,377,000	1,281,000
Income taxes	—	10,000
Long-term debt, curr.	1,919,000	978,000
Curr. Liabilities	$ 16,487,000	$ 13,917,000
Long-term debt	14,064,000	28,846,000
Cap. lease oblig.	4,025,000	4,474,000
Other debt	698,000	—
+Common stock	1,748,000	1,748,000
Retained earnings (def.)	(5,394,000)	13,724,000
Total Liabilities & Shareholders' Equity	$ 31,628,000	$ 62,709,000

‡ Restated.
* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

Sales to Inventories	12.64	4.50
Debt to Equity	—	2.22
Working Capital	$ 563,000	$ 26,568,000
Current Ratio	1.03	2.91
Shareholders' Equity (Deficiency)	$ (3,646,000)	$ 15,472,000

Dart Group Corporation

(formerly Dart Drug Corporation)

3300 75th Avenue
Landover, Maryland 20785
(301) 731-1200

Officers: Herbert H. Haft, chairman of the board & chief executive officer; Robert M. Haft, president & chief operating officer; Ben Kovalsky, exec. v.p.; Richard J. Koll, exec. v.p. & chief financial officer; Linda G. Haft, sr. v.p.; Gloria G. Haft, v.p.; Robert B. Hirsch, asst. secretary; Dennis N. Weiss, exec. v.p.-real estate; Daniel A. Garcia, Jr., v.p.-personnel; S. John Steines, v.p.-loss prevention; Arthur P. Trudel, v.p. & controller; Elliott R. Arditti, v.p.-legal; Ron Rice, asst. v.p.; George Skinscos, asst. v.p..

Directors: Herbert H. Haft, Gloria Haft, Robert Haft, Ben S. Kovalsky, Warren Tydings, Claudine B. Malone.

Business Activities: Operates retail discount auto parts stores through Trak Auto Corporation (a 68%-owned subsidiary), retail discount book store through Crown Book Corporation (53% owned), and a financial business through Dart Group Financial Corporation.

Transfer Agent(s):

Riggs National Bank
Washington, Washington D.C.

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DARTA (NASDAQ)

Sales & Earnings

	Net Sales *	Net Income +
1988	$ 406,779,000	$ (19,726,000)
1987	367,401,000	30,727,000
1986	119,349,000	9,870,000
1985	90,225,000	10,322,000
1984	64,043,000	15,325,000

	No. of Com. Shares †	Earn. per Share ‡ +
1988	1,731,844	$ —
1987	1,723,580	16.43
1986	1,712,130	5.28
1985	1,703,915	45.15
1984	1,684,389	8.80

(Loss)
* Of continuing operations only.
+ Including extraordinary losses of $813,000 in 1988 and $5,258,000 ($2.81 per share) in 1987.
† Class A and Class B common stock combined.
‡ Based on the weighted average number of Class A and Class B common stock outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	$ 0.13	—	—
1987	0.13	—	—
1986	0.13	—	—
1985	0.13	—	—
1984	0.13	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	$ 223,895,000	$ 129.28
1987	243,290,000	141.15
1986	197,566,000	115.39
1985	187,576,000	110.09
1984	89,442,000	53.10

‡ Based on Class A and Class B common stock combined.

Income Account (000's)

Year ended Jan. 31	1988	1987
Net sales	$ 381,145	$ 338,008
Inc. from bankers' accept.	11,944	10,563
Other income	13,690	18,830
Total income	$ 406,779	$ 367,401
Cost of sales	301,789	271,119
Expenses	59,652	62,165
Depreciation & amortization	4,789	4,978
Interest expense	24,321	36,357
Unusual items	19,006	(78,294)
Income (loss) before taxes	$ (2,778)	$ 71,076
Income taxes	12,571	28,423
Min. interest in losses of purchased subsid.	—	(519)
Minority interest	3,564	1,187
Net Income (Loss)	$ (18,913)	$ 35,985
Extraord. loss	(813)	(5,258)
Net Income (Loss) & extraord. loss	$ (19,726)	$ 30,727

Assets (000's)

As of Jan. 31	1988	1987
Cash	$ 13,312	$ 16,911
Bankers' accept.	178,682	168,886
Market. secur.	172,767	241,617
Accts. receiv., net	7,344	4,522
*Inventories	104,180	89,779
Inc. taxes refund	9,244	—
Deferred tax benefit	2,467	—
Other curr. assets	1,121	817
Current Assets	$ 489,517	$ 522,532
#Fixed Assets	30,287	35,128
Def. tax benefit	1,718	8,193
Intangibles	—	238
Other assets	1,114	1,017
Debenture costs	2,306	2,866
Total Assets	$ 524,942	$ 569,974

Liabilities (000's)

Long-term debt, curr.	$ 4	$ 4
Accts. payable	64,233	62,464
Inc. taxes payable	—	15,285
Accrued payroll	9,110	9,220
Accrued taxes	2,632	3,231
Accrued interest	7,163	7,872
Other accruals	9,452	9,432
Oblig. under cap. leases, curr.	2,361	3,393
Deferred income taxes	—	383
Curr. Liabilities	$ 94,955	$ 111,484
Long-term debt	62	66
Subord. debens.	135,267	148,359
Oblig. under cap. leases	22,822	24,741
Reserve for closed stores	2,269	—
Minority interest	45,672	41,834
+ Common stock:		
Class A	1,631	1,623
Class B	303	303
Add. paid-in capital	64,118	63,605
Retained earnings	159,592	179,508
Treasury stock	(1,749)	(1,749)
Total Liabilities & Shareholders' Equity	$ 524,942	$ 569,974

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

% Income bef. Taxes to Sales	—	21.03
% Net Income to Sales	—	10.65
% Net Income to Equity	—	14.79
Sales to Inventories	3.66	3.76
Debt to Equity	0.10	0.10
Working Capital	$ 394,562,000	$ 411,048,000
Current Ratio	5.16	4.69
Shareholders' Equity	$ 223,895,000	$ 243,290,000

Dawson International plc

9 Charlotte Square
Edinburgh, EH2 4DR, Scotland
031-220-1919

Directors: Sir Alan Smith, president; R. A. B. Miller, chairman & chief executive; W. R. Alexander, D. L. D. Blackburn, J. E. Bolton, J. D. Embrey, B. S. Faulkner, P. W. Kemp, C. A. Smith, J. B. Waterton.

Secretary: H. Somerville.

Business Activities: Operates Pringle retail clothing stores in Scotland, West Germany and Denmark. The Company's Clan Royal of Scotland subsidiary operates specialized woolen shops. Other Company operations include the manufacture of fully fashioned knitwear and clothing, fleece fabrics, fur fabrics, velvets, shower curtains and bathroom accessories, the spinning of yarn and wool, the weaving of fabrics and fine cloth, and the manufacture of thermal knitwear and winter clothing.

Subsidiaries (Great Britain):

Animal Fibres (Bradford) Ltd.
Merchandising of rare animal fibers.

The Ballantyne Sportswear Co. Ltd.
Manufacture of Ballantyne branded fully fashioned knitwear and clothing.

Barrie Knitwear Ltd.
Manufacture of Barrie branded fully fashioned knitwear.

W. Gladstone & Co.
Manufacture of Gladstone branded fully fashioned knitwear.

Blackwood Brothers Ltd.
Carpet yarn spinning.

British Replin Ltd.
Weaving of specialized upholstery fabrics.

Clan Royal of Scotland
Operates specialized woolen shops.

Dil Engineering Ltd.
Engineering services.

Glenmac Knitwear (Hawick) Ltd.
Manufacture of Glenmac branded fully fashioned knitwear.

Laidlaw & Fairgrieve Ltd.
Woolen yarn spinning.

J. & D. McGeorge Ltd.
Manufacture of McGeorge branded fully fashioned knitwear.

Mackinnon of Scotland Ltd.
Manufacture of fully fashioned knitwear.

Robert Noble
Weaving of fine cloths.

Pringle of Scotland Ltd.
Manufacture of Pringle of Scotland branded fully fashioned knitwear and clothing.

Braemar Knitwear Ltd.
Manufacture of Braemar fully fashioned knitwear.

M. Reinhold & Co. Ltd.
Marketing and distribution of Emreco knitwear.

Todd & Duncan Ltd.
Woolen, cashmere and lambswool spinning.

Joseph Dawson Ltd.
Cashmere dehairing, commission woolcombing.

Dawson Fur Fabrics, Ltd.
Manufacture of fleece fabrics, fur fabrics and Dralon velvets.

Subsidiary (Australia):

Kinross Cashmere Company Pty. Ltd.
Breeding of cashmere goats and production of cashmere fiber.

Subsidiary (Hong Kong):

Dawson International (S.E. Asia) Ltd.
Manufacture of fully fashioned knitwear.

Subsidiaries (U.S.A.):

Associated Products Inc.
Manufacture and distribution of shower curtains and bathroom accessories.

Dawson International (U.S.A.) Inc.
Marketing and distribution of Braemar International branded knitwear and clothing.

Ducfold Inc.
Manufacture of Ducfold branded winter clothing.

J. E. Morgan Knitting Mills Inc.
Manufacture of J. E. Morgan branded thermal knitwear.

Subsidiaries (West Germany):

Kammgarnspinnerei Wilhelmshaven AG
Worsted yarn spinning; marketing of Huebner Wolle hand knitting yarns; manufacture of Tuffi branded bathmats.

Pringle of Scotland Strickwaren Handelsgesellschaft mbH
Operates a retail store in Duesseldorf.

Registrar and Transfer Office:

Clydesdale Bank PLC
P.O. Box 43
30 St. Vincent Place
Glasgow G1 2HL, Scotland

Sales & Earnings

	Net Sales	Net Income †
1987	£ 334,433,000	£ 26,832,000
1986	285,194,000	21,893,000
1985	265,633,000	21,801,000
1984*	179,168,000	17,219,000
1983	139,044,000	18,747,000

	No. of Com. Shares	Earn. per Share † ‡
1987	151,246,610	20.1 p
1986	142,612,000	18.5
1985	N.A.	15.6
1984*	N.A.	13.2
1983	N.A.	12.4

N.A. - Not Available.
£ - pound sterling.
* 53 weeks.
† Including extraordinary gain of £ 2,399,000 (1.7p per share) in 1983 and extraordinary losses of £ 2,997,000 (2.2p per share) in 1987 and £ 4,340,000 (3.7p per share) in 1984.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	20.1p	—	—
1986	18.5	—	—
1985	15.6	—	—
1984	13.2	—	—
1983	12.4	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1987	£ 157,851,000	£ 1.04
1986	137,963,000	0.97
1985	125,335,000	—
1984	92,121,000	—
1983	85,947,000	—

Income Account (000's)

Year ended Mar. 31	1987	1986
Net sales	£ 334,433	£ 285,194
Cost of sales	235,976	202,469
Distribution costs	28,936	23,776
Administration expenses	23,084	18,936
Income from leasing	(42)	(340)
Other income	(966)	(1,456)
Interest income	(4,406)	(4,142)
Interest expense	5,181	4,022
Income before taxes	£ 46,670	£ 42,129
Income taxes	16,841	15,896
Net income	£ 29,829	£ 26,233
Extraord. loss	(2,997)	(4,340)
Net income & extraord. loss	£ 26,832	£ 21,893

* Included in Costs and Expenses, Depreciation and Amortization: £ 8,113,000 in 1987 and £ 6,048,000 in 1986.

Assets (000's)

As of Mar. 31	L35,940	L34,743
Accts. receiv., net	58,227	46,728
Investments	32,766	24,576
*Stocks	84,636	81,368
Current Assets	£ 211,569	£ 187,415
Investment in leased assets	—	214
#Fixed assets	77,644	58,467
Total Assets	£ 289,213	£ 246,096

Liabilities (000's)

Bank loans & overdrafts	£ 6,881	£ 11,588
Accts. payable	25,972	23,059
Accruals	11,526	12,202
Taxation	18,958	14,962
Other payables	1,965	1,644
Proposed dividend	7,260	6,132
Curr. Liabilities	£ 72,562	£ 69,587
Long-term debt	45,620	28,529
Deferred taxation	3,132	3,523
Other liabilities	10,048	6,494
+Common stock	37,812	35,653
Add. paid-in capital	1,632	1,516
Revaluation reserve	22,251	21,312
Other reserve	1,169	301
Retained earnings	94,987	79,181
Total Liabilities & Shareholders' Equity	£ 289,213	£ 246,096

* At lower of cost and net realizable value.
# Less accumulated depreciation.
+ 25 p par value.

Statistical Summary

%Income bef. Taxes to Sales	13.95	14.77
%Net Income to Sales	8.92	9.20
%Net Income to Equity	18.90	19.01
Sales to Inventories	3.95	3.50
Debt to Equity	0.33	0.29
Working Capital	£ 139,007,000	£ 117,828,000
Current Ratio	2.92	2.69
Shareholders' Equity	£ 157,851,000	£ 137,963,000

Dayton Hudson Corporation

777 Nicollet Mall
Minneapolis, Minnesota 55402
(612) 370-6948

Officers: Kenneth A. Macke, chairman of the board & chief executive officer; Bruce G. Allbright, president; James T. Hale, sr. v.p. & secretary; Edwin H. Wingate, sr. v.p.; Ralph W. Sale, sr. v.p.; Willard C. Shull, III, sr. v.p.; Peter Hutchinson, v.p.; Ann H. Berkelew, v.p.; Larry E. Carlson, v.p.; L. Fred Hasnesher, v.p.; Kathy Barnes Probelski, v.p.; Karol D. Emmerich, v.p. & treasurer; William E. Harder, v.p. & asst. secretary; William P. Hise, asst. secretary; James R. Eckmann, asst. treasurer.

Directors: Donald J. Hall, Kenneth A. Macke, Bruce B. Allbright, Livio D. DeSimone, David T. McLaughlin, Bruce E. MacLaury, Roger L. Hale, Rand V. Arnskog, Robert A. Burnett, John A. Rollwagen, Betty Ruth Holander, David T. Kearns.

Business Activities: Operates department stores, low margin stores, softline stores and specialty stores in 36 states.

Divisions and Subsidiaries:

Department Stores

Dayton Hudson Department Store Company
Minneapolis, Minnesota
Operates 37 department stores in the Midwest under the names "Hudson's" and "Dayton's."

Low Margin Stores

Target
777 Nicollet Mall
Minneapolis, Minnesota 55402
(612) 370-6073
Operates 317 stores located in 24 Midwestern and Western states.

Specialty Stores

Lechmere
88 1st Street
Cambridge, Massachusetts 02141
(617) 491-2000
Operates 24 stores in Massachusetts, New Hampshire, Connecticut, Georgia, Rhode Island, New York, North Carolina, and Florida.

Softlines Stores

Mervyn's
25001 Industrial Boulevard
Hayward, California 94545
(415) 785-8800
Operates 199 department stores offering nationally branded and private label apparel, accessories and household softgoods.

Transfer Agent(s):

Morgan Shareholder Services Trust Company
New York, New York

Stock Exchange(s): New York, Pacific

Ticker Symbol: DH

Number of Stores (at fiscal year end)

	Dept. Stores	Target Stores
1987	37	317
1986	37	246
1985	37	226
1984	36	215
1983	34	205

	Specialty Stores	Mervyn's Stores
1987	24	199
1986	17	175
1985	795	148
1984	759	126
1983	707	109

Sales & Earnings

	Net Sales ‡ ($000's)	Net Income † ($000's)
1988	$ 10,677,300	$ 228,400
1987	9,259,100	310,000
1986	8,255,300	283,600
1985	7,519,200	259,300
1984*	6,518,200	245,500

	No. of Com. Shares +	Earn. per Share + †
1988	94,800,000	$ 2.41
1987	97,300,000	3.19
1986	97,100,000	2.92
1985	96,900,000	2.68
1984*	96,600,000	2.54

* 53 weeks.
‡ Of continuing operations only.
† Including extraordinary loss of $32,300,000 in 1986.
+ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Revenues by Line of Business ($000's)

	1988	1987
Department	$ 1,552,300	$ 1,366,300
Target	5,306,100	4,354,900
Lechmere	636,300	475,600
Mervyn's	3,182,600	2,862,300
Total	$ 10,677,300	$ 9,259,100

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1987	$ 0.945	—	—
1987	0.86	—	—
1986	0.785	—	—
1985	0.695	—	—
1984	0.625	—	2-for-1

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity ($000's)	Equity Per Share +
1988	$ 1,986,000	$ 23.15
1987	2,179,500	22.39
1986	1,947,355	20.06
1985	1,736,502	17.90
1984	1,540,179	15.91

+ Adjusted to reflect stock split.

Income Account
($000's)

Year ended	1/30/88	1/31/87
Revenues	$ 10,677,300	$ 9,259,100
Cost of sales	7,852,600	6,705,200
Expenses	1,760,800	1,538,100
Depreciation	230,900	182,700
Rental expense	97,100	73,100
Interest expense	151,800	117,500
Other taxes	176,300	148,300
Income before taxes	$ 399,800	$ 494,200
Income taxes	171,400	239,200
Inc. cont. opr.	$ 228,400	$ 255,000
Inc.-discont. opr.	—	87,300
Net income	$ 228,400	$ 342,300
Extraord. loss	—	(32,300)
Net income & extraord. loss	$ 228,400	$ 310,000

Assets
($000's) /

As of	1/30/88	1/31/87
Cash	$ 115,600	$ 64,800
Market. securities	59,500	199,000
Accts. receiv., net	1,073,500	1,052,500
*Inventories	1,623,300	1,312,500
Other current assets	36,400	28,600
Current Assets	$ 2,908,300	$ 2,617,400
#Fixed assets	2,990,800	2,402,300
Leased prop. under cap. leases	115,000	114,900
Assets held for resale	16,500	100,500
Other assets	44,900	46,900
Total Assets	$ 6,075,500	$ 5,282,000

Liabilities
($000's)

Notes payable	$ 353,300	—
Long-term debt, curr. & cap. lease oblig.	18,400	10,700
Accts. payable	1,054,500	841,900
Accruals	438,400	429,300
Income taxes	121,200	142,700
Curr. Liabilities	$ 1,985,800	$ 1,424,600
Long-term debt	1,683,400	1,244,900
Long-term cap. lease oblig.	135,300	131,800
Deferred income taxes	285,000	301,400
+Common stock	85,800	97,400
Add. paid-in capital	22,900	18,400
Retained earnings	1,877,300	2,063,700
Total Liabilities & Shareholders' Equity	$ 6,075,500	$ 5,282,000

* Using the retail inventory method (LIFO).
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	3.74	—
%Net Income to Sales	2.14	—
%Net Income to Equity	11.50	14.22
Sales to Inventories	6.58	7.05
Debt to Equity	1.10	0.64
Working Capital	$ 922,500,000	$ 1,192,800,000
Current Ratio	1.46	1.84
Shareholders' Equity	$ 1,986,000,000	$ 2,179,500,000

Deb Shops, Inc.

9401 Blue Grass Road
Philadelphia, Pennsylvania 19114
(215) 676-6000

Officers: Marvin Rounick, president & chief exec. officer; Warren Weiner, exec. v.p., secretary & treasurer; Barry Vesotsky, v.p.-merchandising; Traci Jan Morrow, v.p.-store operations; Stanley A. Uhr, v.p.-real estate & corp. counsel; Crawford Grogan, v.p.-display; Marvin Waxman, controller.

Directors: Marvin Rounick, Warren Weiner, Jack A. Rounick.

Business Activities: Operates a chain of specialty apparel stores offering moderately priced, fashionable, coordinated sportswear, dresses, coats and accessories to the junior-sized female, in 32 states.

Transfer Agent(s):

Philadelphia National Bank
Philadelphia, Pennsylvania

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DEBS (NASDAQ)

Number of Stores: (at fiscal year end)

1987	273	1985	190
1986	231	1984	161

Sales & Earnings

	Net Sales	Net Income
1988	$ 198,447,000	$ 11,954,000
1987	181,412,000	12,615,000
1986	147,104,000	10,350,000
1985	120,405,000	7,850,000
1984	95,514,000	7,504,000

	No. of Com. Shares ‡	Earn. per Share ‡
1988	15,312,173	$ 0.78
1987	15,202,368	0.83
1986	15,061,634	0.68
1985	15,003,238	0.52
1984	15,036,882	0.50

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1988	$ 0.20	—	2-for-1
1987	0.139	—	—
1986	0.091	—	3-for-2
1985	0.066	—	—

‡ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity +	Equity Per Share ‡
1988	$ 59,634,876	$ 3.90
1987	50,323,021	3.32
1986	39,126,126	2.59
1985	29,733,769	1.98
1984	22,938,500	1.53

+ After allowing for preferred stock at par value.
‡ Adjusted to reflect stock splits.

Income Account

Year ended Jan. 31	1988	1987
Net sales	$ 198,447,499	$ 181,411,550
Cost of sales	144,035,751	129,335,723
Expenses	32,357,909	27,127,118
Depreciation	2,637,049	2,257,014
Other income	(1,186,785)	(1,323,178)
Income before taxes	$ 20,603,575	$ 24,014,873
Income taxes	8,650,000	11,400,000
Net income	$ 11,953,575	$ 12,614,873

Assets

As of Jan. 31	1988	1987
Cash	$ 29,362,115	$ 34,719,309
*Inventories	24,128,741	17,090,060
Prepaid expenses	3,861,949	3,495,849
Current Assets	$ 57,352,805	$ 55,305,218
#Fixed assets	21,326,690	17,129,897
Total Assets	$ 78,679,495	$ 72,435,115

Liabilities

Accts. payable	$ 11,659,923	$ 13,419,430
Accruals & taxes	3,291,847	2,678,104
Income taxes	2,051,981	3,973,692
Curr. Liabilities	$ 17,003,751	$ 20,071,226
Cap. lease oblig.	2,040,408	2,040,408
+Preferred stock	460	460
++Common stock	153,504	76,204
Add. paid-in capital	2,824,702	2,157,638
Retained earnings	57,534,745	48,763,950
Treasury stock	(878,075)	(674,771)
Total Liabilities & Shareholders' Equity	$ 78,679,495	$ 72,435,115

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.
++ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	10.38	13.24
%Net Income to Sales	6.02	6.95
%Net Income to Equity	20.04	25.07
Sales to Inventories	8.22	10.62
Debt to Equity	0.03	0.04
Working Capital	$ 40,349,054	$ 35,233,992
Current Ratio	3.37	2.76
Shareholders' Equity	$ 59,635,336	$ 50,323,481

Decor Corporation

1519 Alum Creek Drive South
Columbus, Ohio 43209
(614) 258-2871

Officers: Bob Binsky, chairman & chief exec. officer; John Kobecker, president & chief operating officer; Beatrice Binsky, exec. v.p. & secretary-treasurer; Gordon Orr, v.p.-merchandising; Barry Schwartz, v.p.-operations.

Directors: Bob Binsky, chairman; Beatrice Binsky, Ha·mon W. Beyer, Paul O. Craig, John Kobecker, Martin J. Walter, Don M. Castro, III.

Business Activities: Operates 56 graphic art stores and 39 card and gift stores in 18 states and the District of Columbia. The graphic art stores, which do business under the names 'The Art Works' and 'The Picture Show,' sell fine art posters, graphic reproductions and original lithographs to retail customers. The card and gift stores, which do business under the name 'Art Explosion,' sell contemporary greeting cards, ceramics, fashion accessories, stuffed and inflatable animals, stationery products and seasonal items.

Subsidiary:

Art Explosion, Inc.

Transfer Agent(s):

AmeriTrust Company National Association
Cleveland, Ohio

Stock Exchange(s): Over-the-Counter

Decor Corporation

Ticker Symbol: DCOR (NASDAQ)

Number of Stores: (at fiscal year end)

1987	95	1984	18
1986	80	1983	14
1985	40		

Sales & Earnings

	Net Sales	Net Income
1987	$ 21,094,062	$ (1,342,434)
1986	14,700,962	601,113
1985	6,230,696	319,882
1984	3,009,226	170,315
1983	2,282,570	169,329

	No. of Com. Shares ‡	Earn. per Share ‡
1987	$ 2,087,255	$ —
1986	1,941,757	0.31
1985	1,526,916	0.21
1984	1,356,916	0.13
1983	1,134,000	0.15

(Loss)
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits and stock dividend.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	$ 0.01	5%	—
1986	0.005	—	3-for-2
1985	—	—	—
1984	—	—	960-for-1

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	$ 5,567,097	$ 2.67
1986	6,651,024	3.43
1985	3,038,120	1.99
1984	1,678,924	1.24
1983	360,211	0.32

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits and stock dividend.

Income Account *

Year ended May 31	1987	1986
Net sales	$ 21,094,062	$ 14,700,962
Cost of sales	14,362,135	8,616,318
Store oper. expenses	5,470,792	3,517,782
Gen. & adm. expenses	2,073,688	1,399,184
Interest expense	474,241	114,387
Dividend income	—	(36,594)
Other expense (income)	312,387	(22,228)
Income (loss) before taxes	$ (1,399,181)	$ 1,112,113
Income taxes (credit)	(256,747)	511,000
Net Income (Loss)	$ (1,342,434)	$ 601,113

* Included in Costs and Expenses, Depreciation and Amortization: $956,200 in 1987 and $488,331 in 1986.

Assets

As of May 31	1987	1986
Cash	$ 356,415	$ 125,818
Marketable securities	5,564,224	36,981
Accts. receiv., net	306,551	165,810
*Inventories	2,842,219	3,143,607
Prepaid expenses	144,479	374,643
Current Assets	$ 9,213,888	$ 3,846,859
#Fixed assets	5,769,512	3,543,939
Intangibles	3,121,611	3,017,544
Bond insurance costs	349,857	—
Total Assets	$ 18,454,868	$ 10,408,342

Liabilities

Accts. payable	$ 1,337,135	$ 972,561
Accrued payroll	197,508	117,611
Accrued expense	715,128	512,211
Short-term borrowings	1,638,000	—
Long-term debt	1,000,000	—
Curr. Liabilities	$ 4,887,771	$ 1,602,383
Long-term debt	8,000,000	1,904,979
Deferred inc. taxes	—	249,956
+Common stock	20,991	19,707
Add. paid-in capital	6,324,329	5,202,715
Retained earnings (deficit)	(775,058)	1,431,767
Treasury stock	(3,165)	(3,165)
Total Liabilities & Shareholders' Equity	$ 18,454,868	$ 10,408,342

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	7.56
%Net Income to Sales	—	4.09
%Net Income to Equity	—	9.04
Sales to Inventories	7.42	4.68
Debt to Equity	1.44	0.29
Working Capital	$ 4,326,117	$ 2,244,476
Current Ratio	1.89	2.40
Shareholders' Equity	$ 5,567,097	$ 6,651,024

Delchamps, Inc.

305 Delchamps Drive
P.O. Box 1668
Mobile, Alabama 36633
(205) 433-0431

Officers: A. F. Delchamps, Jr., chairman, president & chief exec. officer; John F. Feagan, v.p.-finance & planning; Walter M. Rhodes, sr. v.p.-operations; John R. Delchamps, v.p.-real estate; John H. Holland, v.p. & controller; Donald A. Mathews, v.p.-distribution; Annie D. Moore, treasurer; O. H. Delchamps, Jr., chairman of the executive committee; O. H. Delchamps, Sr., vice chairman of the board; Emmette Easterling, v.p.-retailing & distribution; James H. McDonald, Jr., v.p. & general counsel; Heidi A. Eckert, corp. secretary.

Directors: A. F. Delchamps, Jr., chairman of the board; John A. Caddell, William W. Crawford, John R. Delchamps, O. H. Delchamps, Sr., O. H. Delchamps, Jr., T. Robert Fiddler, Annie D. Moore, Joel O. Swanson.

Business Activities: Operates 96 supermarkets in Alabama, Florida, Mississippi, and Louisiana.

Subsidiaries:

Supermarket Cigarette Sales, Inc.

Transfer Agent(s):

First RepublicBank Dallas, N.A.
P.O. Box 2964
Dallas, Texas 75265

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DLCH (NASDAQ)

Number of Stores: (at fiscal year end)

1987	96	1984	78
1986	90	1983	73
1985	85		

Sales & Earnings

	Net Sales	Net Income
1987	$ 784,893,000	$ 6,319,000
1986	688,632,000	8,004,000
1985	631,084,000	9,608,000
1984	587,506,000	8,514,000
1983	535,786,000	6,906,000

	No. of Com. Shares ‡	Earn. per Share ‡
1987	6,549,000	$ 0.96
1986	6,987,000	1.15
1985	6,994,000	1.37
1984	6,509,000	1.31
1983	5,896,000	1.17

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	$ 0.28	—	—
1986	0.21	—	—
1985	0.28	—	—
1984	0.32	—	8-for-1
1983	0.26	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	$ 66,175,000	$ 10.10
1986	72,187,000	10.33
1985	67,181,000	9.61
1984	59,532,000	9.15
1983	40,204,000	6.82

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *

Year ended	6/27/87	6/28/86
Net sales	$ 784,893,000	$ 688,632,339
Cost of sales	623,579,000	541,183,148
Expenses	146,708,000	132,403,640
Interest expense	4,688,000	4,732,779
Interest income	(1,131,000)	(2,125,248)
Loss on dispos. of prop.	235,000	365,973
Income before taxes	$ 10,814,000	$ 12,072,047
Income taxes	4,495,000	4,067,921
Net Income	$ 6,319,000	$ 8,004,126

* Included in Costs and Expenses, Depreciation and Amortization: $10,156,000 in 1987 and $9,606,668 in 1986.

Assets

As of	6/27/87	6/28/86
Cash	$ 6,470,000	$ 5,219,839
Short-term invest.	12,269,000	28,737,613
Accts. receiv., net	2,781,000	2,650,669
Other receivables	410,000	1,795,875
*Inventories	56,012,000	47,470,626
Prepaid expenses	802,000	975,810
Current Assets	$ 78,744,000	$ 86,850,452
#Fixed assets	77,480,000	70,935,877
Deposits	868,030	790,684
Other assets	1,054,000	640,246
Total Assets	$ 158,146,000	$ 159,217,259

Liabilities

Cap. lease oblig., curr.	$ 2,014,000	$ 1,786,511
Long-term debt, curr.	200,000	182,516
Accts. payable	35,180,000	30,000,954
Accruals	12,327,000	13,331,740
Income taxes	1,612,000	557,777
Curr. Liabilities	$ 51,333,000	$ 45,859,498
Cap. lease oblig.	22,078,000	24,092,191
Long-term debt	11,040,000	11,240,434
Deferred compensation	4,221,000	3,828,202
Deferred inc. taxes	3,299,000	2,010,254
+Common stock	70,000	69,935
Add. paid-in capital	19,818,000	19,866,771
Retained earnings	58,275,000	53,780,036
Treasury stock	(11,988,000)	(1,530,062)
Total Liabilities & Shareholders' Equity	$ 158,146,000	$ 159,217,259

* At lower of cost (primarily LIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	1.38	1.75
%Net Income to Sales	0.81	1.16
%Net Income to Equity	9.55	11.09
Sales to Inventories	14.01	14.51
Debt to Equity	0.17	0.52
Working Capital	$ 27,411,000	$ 40,990,954
Current Ratio	1.53	1.89
Shareholders' Equity	$ 66,175,000	$ 72,186,680

Designhouse International, Inc.

6348 Dawson Boulevard
Norcross, Georgia 30093
(404) 449-6636

Officers: Adrian C. Israel, chairman; Leonard Barkan, president & chief exec. officer; David A. DeBrock, sr. v.p.-sales; Arthur Lisker, sr. v.p.-finance & treasurer.

Directors: Adrian C. Israel, chairman; Cecil Alexander, Leonard Barkan, Barry W. Gray, Robert I. Paller.

Business Activities: Operates 26 furniture showrooms in the Southeast, featuring contemporary European designs for the home and office in the medium to upper-price range.

Division:

Designoffice
Commercial office furniture.

Transfer Agent(s):

Bank South, N.A.
Atlanta, Georgia

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DNIN (NASDAQ)

Number of Stores: (at fiscal year end)

1987	26	1984	21
1986	24	1983	16
1985	23		

Sales & Earnings

	Net Sales	Net Income
1987	$ 20,150,000	$ (439,000)
1986	20,849,000	(1,702,000)
1985	20,626,000	(1,159,000)
1984	18,754,000	1,045,000
1983	12,891,000	606,000

	No. of Com. Shares	Earn. per Share ‡
1987	1,209,528	$ —
1986	1,209,528	—
1985	1,209,528	—
1984	1,209,528	0.98
1983	800,004	0.76

(Loss)
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1987	$ 2,989,000	$ 2.47
1986	3,428,000	2.83
1985	5,130,000	4.24
1984	6,289,000	5.20
1983	1,594,000	1.99

Income Account

Year ended	5/30/87	5/31/86
Net sales	$ 20,150,000	$ 20,849,000
Cost of sales	12,813,000	12,963,000
Expenses	8,352,000	9,631,000
Depreciation	238,000	446,000
Interest expense	443,000	307,000
Interest income	(46,000)	(83,000)
Store clos. costs	—	75,000
Other income	(202,000)	(126,000)
Loss before taxes	$ (1,448,000)	$ (2,366,000)
Tax credit	(15,000)	(664,000)
Cum. effect of changes in accntg. meth.	(994,000)	—
Net Loss	$ (439,000)	$ (1,702,000)

Assets

As of	5/30/87	5/31/86
Cash	$ 267,000	$ 390,000
Accts. receiv., net	358,000	369,000
Refundable taxes	—	648,000
*Inventories	6,872,000	5,072,000
Prepaid expenses	191,000	214,000
Notes receivable	128,000	128,000
Current Assets	$ 7,816,000	$ 6,821,000
Notes receivable	319,000	447,000
#Fixed assets	1,997,000	2,332,000
Other assets	47,000	113,000
Total Assets	$ 10,179,000	$ 9,713,000

Liabilities

Notes payable	$ 2,520,000	$ 2,316,000
Long-term debt, curr.	201,000	247,000
Accts. payable	2,436,000	992,000
Customer deposits	659,000	555,000
Accruals	430,000	799,000
Curr. Liabilities	$ 6,246,000	$ 4,909,000
Long-term debt	944,000	1,376,000
+Common stock	121,000	121,000
Add. paid-in capital	3,506,000	3,506,000
Retained earnings (deficit)	(638,000)	(199,000)
Total Liabilities & Shareholders' Equity	$ 10,179,000	$ 9,713,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

Sales to Inventories	2.93	4.11
Debt to Equity	1.23	1.15
Working Capital	$ 1,570,000	$ 1,912,000
Current Ratio	1.25	1.39
Shareholders' Equity	$ 2,989,000	$ 3,428,000

Designs, Inc.

1244 Boylston Street
Chestnut Hill, Massachusetts 02167
(617) 739-6722

Officers: Calvin Margolis, chairman & chief executive officer; Stanely I. Berger, president & chief operating officer; Joel H. Reichman, executive v.p.; Robert M. Wolf, treasurer & chief financial officer; Feng-Yuan Chen, asst. treasurer & controller.

Directors: Calvin Margolis, chairman of the board; Stanely I. Berger, Joel H. Reichman, Robert M. Wolf, Max Coffman, James G. Groninger.

Business Activities: Operates a chain of 29 specialty retail stores in 11 eastern states. These stores sell exclusively Levi Strauss & Co., Inc. clothing and accessories and operate under the name "Designs exclusively Levi Strauss & Co."

Transfer Agent(s):

The First National Bank of Boston
Boston, Massachusetts

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DESI (NASDAQ)

Number of Stores: (at fiscal year end)

1987	27	1984	15
1986	18	1983	12
1985	17		

Sales & Earnings

	Net Sales	Net Income +
1987*	$ 28,503,000	$ 2,929,000
1986	20,421,000	369,000
1985	16,945,000	323,000
1984	12,648,000	31,000
1983	11,408,000	329,000

	No. of Com. Shares	Earn. per Share † ‡ +
1987*	4,000,000	$ 0.40
1986	4,000,000	—
1985	4,000,000	—
1984	4,000,000	—

* 53 weeks
+ Reflects a pro forma adjustment to federal income tax to show the provision for income taxes the Company would have made if it were not an S Corporation.
† Including extraordinary gain of $13,000 in 1983.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1987	$ 3,663,000	$ 0.92
1986	2,450,000	0.61
1985	2,081,000	0.52
1984	1,757,000	0.44
1983	1,726,000	—

Income Account

Year ended	1/31/87 (53 weeks)	1/25/86
Net sales	$ 28,502,799	$ 20,421,438
Cost of sales	17,519,604	12,669,262
Expenses	6,436,938	4,704,297
Depreciation & amortization	870,014	505,210
Executive bonus	—	1,600,000
Other income	(244,133)	(171,429)
Other expense	732,878	393,145
Income before taxes	$ 3,187,498	$ 720,953
Income taxes	258,559	351,952
Net Income	$ 2,928,939	$ 369,001

Assets

As of	1/31/87	1/25/86
Cash	$ 836,220	$ 1,038,763
Accts. receiv., net	149,629	166,650
Due from rel. parties	—	880,662
Refundable taxes	—	395,543
*Inventories	6,140,833	3,793,863
Prepaid expenses	418,141	121,499
Current Assets	7,544,823	6,396,980
#Fixed assets	6,378,907	2,146,472
Other assets	336,886	149,978
Total Assets	$ 14,260,616	$ 8,693,430

Liabilities

Long-term debt, curr.	$ 1,158,252	$ 375,000
Accts. payable	703,858	474,303
Accruals	611,234	515,776
Income taxes	189,520	—
Curr. Liabilities	$ 2,662,864	$ 1,365,079
Long-term debt	6,782,707	2,836,221
Subord. debt	1,151,954	1,957,978
Deferred inc. taxes	—	84,423
+Common stock	40,000	40,000
Add. paid-in capital	1,291,498	1,291,498
Retained earnings	2,331,593	1,118,231
Total Liabilities & Shareholders' equity	$ 14,260,616	$ 8,693,430

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	11.18	3.53
%Net Income to Sales	10.28	1.81
%Net Income to Equity	19.96	15.06
Sales to Inventories	4.64	5.38
Debt to Equity	2.48	2.11
Working Capital	$ 4,881,959	$ 5,031,901
Current Ratio	2.83	4.69
Shareholders' Equity	$ 3,663,091	$ 2,449,729

Dillard Department Stores, Inc.

900 West Capital Avenue
Little Rock, Arkansas 72201
(501) 376-5200

Mailing Address:
Post Office Box 486
Little Rock, Arkansas 72203

Officers: William Dillard, chairman of the board & chief exec. officer; William Dillard, II, president & chief operating officer; E. Ray Kemp, vice chairman of the board & chief administrative officer; Alex Dillard, exec. v.p.; Mike Dillard, exec. v.p.; James I. Freeman, v.p. & chief financial officer; James E. Darr, Jr., v.p., secretary & general counsel; Don C. Bradley, vice president; G. Kent Burnett, vice president; Wynelle Chapman, vice president; Drue Corbusier, vice president; Randy L. Hankins, vice president; Charles E. Franzke, vice president; John A. Franzke, vice president; Bernie Goldstein, vice president; T. R. Gastman, vice president; C. F. Plunkett, vice president; J. B. Wilson, vice president; W. R. Appleby, vice president; Harry D. Passow, vice president; J. W. Sherburne, vice president; David M. Doub, vice president; Dick Roberds, vice president; Burt Squires, vice president; Jan E. Bolton, vice president; Joe Brennan, vice president; A. B. Cannon, vice president; William [illegible]mins, vice president; Michael Bowen, vice president; Kathryn Mayes Hawker, vice president; M. E. Ritchie, Jr., vice president; Michael McNiff, vice president; Joseph W. Story, vice president.

Directors: William Dillard, chairman; John K. Riedy, Will D. Davis, William Dillard, II, Ray Kemp, A. C. R. Dreesmann, Clarence Barksdale, Alexander Dillard, Calvin N. Clyde, Jr., Michael Dillard, Anne M. McCarthy, B. Finley Vinson, James D. Berry, G. Larry Kelley, William B. Harrison, Jr., John H. Johnson.

Business Activities: Operates department stores in Arkansas, Tennessee, Texas, New Mexico Oklahoma, Missouri, Kanasas, Louisiana, Nevada, Arizona and Illinois.

Transfer Agent(s):

Centerre Trust Company
St. Louis, Missouri

Stock Exchange(s): American

Ticker Symbol: DDSA

Number of Stores: (at fiscal year end)

1988	135	1985	93
1987	115	1984	66
1986	101		

Sales & Earnings

	Net Sales ‡	Net Income
1987	$ 2,206,347,000	$ 91,223,000
1986	1,851,423,000	74,458,000
1985	1,601,357,000	66,903,000
1984*	1,277,380,000	49,558,000
1983	847,485,000	34,139,000

	No. of Com. Shares #	Earn. per Share #
1987	32,190,424	$ 2.83
1986	31,692,698	2.35
1985	29,206,490	2.29
1984*	27,314,576	1.82
1983	24,692,436	1.38

* 53 weeks.
‡ Includes leased departments.
# Based on the weighted average number of shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend #	Stock Dividend	Stock Split
1987	$ 0.14	—	—
1986	0.12	—	—
1985	0.105	—	2-for-1
1984	0.0875	—	2-for-1
1983	0.075	—	—

Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity +	Equity Per Share #
1987	$ 642,946,000	$ 20.00
1986	556,177,000	17.31
1985	361,893,000	12.42
1984	297,913,000	10.24
1983	185,113,000	7.36

+ After allowing for preferred stock at par value.
# Adjusted to reflect stock splits.

Income Account

Year ended	1/30/88	1/31/87
Net sales	$ 2,206,347,000	$ 1,851,423,000
Other income	84,397,000	71,664,000
Total income	$ 2,290,744,000	$ 1,923,087,000
Cost of sales	1,398,808,000	1,179,157,000
Expenses	570,744,000	476,642,000
Depreciation & amortization	63,441,000	51,295,000
Rentals	38,218,000	36,128,000
Interest & debt expenses	64,310,000	48,007,000
Income before taxes	$ 155,223,000	$ 131,858,000
Income taxes	64,000,000	57,400,000
Net Income	$ 91,223,000	$ 74,458,000

Assets

As of	1/30/88	1/31/87
Cash	$ 24,478,000	$ 22,666,000
Accts. receiv., net	38,907,000	28,821,000
Other receiv.	132,248,000	195,745,000
*Inventories	500,831,000	385,509,000
Prepaid expenses & supplies	15,701,000	3,027,000
Current Assets	$ 712,165,000	$ 635,768,000
Investment & Other assets	72,111,000	54,221,000
#Fixed assets	694,991,000	513,421,000
Building under cap. leases	18,911,000	9,945,000
Total Assets	$ 1,498,178,000	$ 1,213,355,000

Liabilities

Long-term debt, curr.	$ 18,998,000	$ 22,067,000
Cap. lease oblig., curr.	1,490,000	981,000
Accts. payable & accruals	236,741,000	178,555,000
Income taxes	25,519,000	24,572,000
Deferred inc. taxes	53,674,000	62,956,000
Curr. Liabilities	$ 336,422,000	$ 289,131,000
Long-term debt	419,773,000	300,319,000
Cap. lease oblig.	26,443,000	13,695,000
Deferred inc. taxes	72,154,000	53,593,000
+Preferred stock	440,000	440,000
++Common stock	40,333,000	40,329,000
Add. paid-in capital	219,730,000	219,666,000
Retained earnings	383,186,000	296,485,000
Treasury stock	(303,000)	(303)
Total Liabilities & Shareholders' Equity	$ 1,498,178,000	$ 1,213,355,000

* Lower of cost (LIFO) or market.
# Less accumulated depreciation & amortization.
+ $100 par value; 5% cumulative.
++ No par value.

Statistical Summary

%Income bef. Taxes to Sales	7.04	7.12
%Net Income to Sales	4.13	4.02
%Net Income to Equity	14.18	13.38
Sales to Inventories	4.41	4.80
Debt to Equity	0.73	0.61
Working Capital	$ 375,743,000	$ 346,743,000
Current Ratio	2.12	2.20
Shareholders' Equity	$ 643,386,000	$ 556,617,000

Dollar General Corporation

One Burton Hills Boulevard
Suite 210
Nashville, Tennessee 37215
(615) 665-9102

Administrative offices:
427 Beech Street
Scottsville, Kentucky 42164
(502) 237-5444

Officers: Cal Turner, chairman of the board; Cal Turner, Jr., president & chief exec. officer; Bob Carpenter, v.p., secretary & senior counsel; Michael Ennis, v.p.-merchandising; Robert B. Goodyear, v.p.-operations; Carol Harris, v.p.-marketing; David Johns, v.p.-human resources; Bruce Quinnell, v.p.-treasurer & chief financial officer.

Directors: Cal Turner, Cal Turner, Jr., Steve Turner, Lawrence A. Appley, James D. Cockman, John B. Holland, Wallace N. Rasmussen.

Business Activities: Engaged in the sale of soft goods, housewares, health and beauty aids, and shoes through company owned retail stores and at wholesale to affiliated retail stores. The company-owned stores are located in 23 states, with the strongest concentration in Florida, Kentucky and Tennessee. All are operated under the name "Dollar General Stores." Most of the 27 associated retail stores for which the company is wholesaler are operated pursuant to franchise agreements.

Transfer Agent(s):

Third National Bank
Corporate Trust Department
P.O. 4625
Atlanta, Georgia 30302

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DOLR (NASDAQ)

Number of Stores: (at fiscal year end)

1987	1,302	1984	1,080
1986	1,303	1983	1,127
1985	1,278		

Sales & Earnings

	Net Sales	Net Income
1987	$ 588,436,000	$ 6,502,000
1986	564,782,000	4,318,000
1985	584,437,000	17,829,000
1984	480,514,000	20,598,000
1983	346,655,000	15,126,000

	No. of Com. Shares +	Earn. per Share #
1987	18,489,000	$ 0.35
1986	18,821,000	0.23
1985	18,796,000	0.95
1984	18,782,000	0.10
1983	18,786,000	0.81

+ Adjusted to reflect stock splits.
# Based on the weighted average number of shares outstanding adjusted to reflect stock dividend and stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	$ 0.20	—	—
1986	0.20	—	—
1985	0.20	—	6-for-5
1984	0.17	—	—
1983	0.13	—	2-for-1

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	$ 109,455,000	$ 5.92
1986	108,789,000	5.78
1985	107,955,000	5.74
1984	93,916,000	5.00
1983	76,582,000	4.08

‡ Adjusted to reflect stock splits.

Income Account *

Year ended Dec. 31	1987	1986
Net sales	$ 588,436,000	$ 564,782,000
Cost of sales	423,495,000	409,416,000
Expenses	146,562,000	140,885,000
Interest expense	6,773,000	6,852,000
Income before taxes	$ 11,606,000	$ 7,629,000
Income taxes	5,104,000	3,311,000
Net Income	$ 6,502,000	$ 4,318,000

* Incllkuded in Costs and Expenses, Depreciation: $6,857,000 in 1987 and $5,900,000 in 1986.

Assets

As of Dec. 31	1987	1986
Cash & cash equiv.	$ 7,347,000	$ 5,189,000
*Inventories	177,136,000	183,921,000
Other assets	5,871,000	5,110,000
Current Assets	$ 190,354,000	$ 194,220,000
#Fixed assets	25,427,000	29,148,000
Other assets	9,074,000	9,020,000
Total Assets	$ 224,855,000	$ 232,388,000

Liabilities

Short-term borrowings	$ 10,000,000	$ —
Long-term debt, curr.	6,336,000	6,533,000
Accts. payable & accruals	40,212,000	57,028,000
Income taxes	4,871,000	1,662,000
Curr. Liabilities	$ 61,419,000	$ 65,223,000
Long-term obligation	48,912,000	52,258,000
Deferred inc. taxes	5,069,000	6,118,000
+Common stock	11,070,000	11,070,000
Add. paid-in capital	21,276,000	20,780,000
Retained earnings	82,103,000	79,371,000
Treasury stock	(4,994,000)	(2,432,000)
Total Liabilites & Shareholders' Equity	$ 224,855,000	$ 232,388,000

* At cost (LIFO) using the retail method, which is not in excess of market.
# Less accumulated depreciation and amortization.
+ $0.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	1.97	1.35
%Net Income to Sales	1.10	0.76
%Net Income to Equity	5.94	3.97
Sales to Inventories	3.32	3.07
Debt to Equity	0.60	0.54
Working Capital	$ 128,935,000	$ 128,997,000
Current Ratio	3.10	2.98
Shareholders' Equity	$ 109,455,000	$ 108,789,000

The Dress Barn, Inc.

88 Hamilton Avenue
Stamford, Connecticut 06902
(203) 327-4242

Officers: Elliot S. Jaffe, chairman, president & chief exec. officer; Roslyn S. Jaffe, secretary & treasurer; Michael Palmer, sr. v.p.-finance & asst. secretary; Burt Steinberg, sr. v.p.; Eric Hawn, v.p.-stores; Reid Hackney, controller; Charles Wichtendahl, dir. of operations; Arthur Ziluck, merchandise mgr.; Elise Jaffe, dir. of real estate.

Directors: Elliot S. Jaffe, chairman of the board; Roslyn S. Jaffe, Saul Kwartin, Lionel M. Levey, Michael Palmer, Burt Steinberg.

Business Activities: Operates a chain of off-price women's apparel stores in 25 states, principally under the name "Dress Barn".

Transfer Agent(s):

Midlantic National Bank
Metro Park Plaza
Edison, New Jersey 08818

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DBRN (NASDAQ)

Number of Stores: (at fiscal year end)

1987	263	1984	100
1986	208	1983	70
1985	156		

Sales & Earnings

	Net Sales	Net Income
1987	$ 173,670,681	$ 12,907,555
1986	135,827,743	9,160,509
1985	103,015,625	5,303,250
1984	61,601,840	2,806,080
1983	43,704,612	1,675,400

	No. of Com. Shares +	Earn. per Share ‡
1987	22,172,271	$ 0.58
1986	22,057,078	0.42
1985	22,001,906	0.24
1984	22,000,000	0.13
1983	20,480,000	0.08

+ Adjusted to reflect stock splits.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	—	—	2-for-1
1986	—	—	5-for-2
1985	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	$ 39,779,218	$ 1.79
1986	26,192,556	1.19
1985	16,732,762	0.76
1984	11,239,190	0.51
1983	8,293,610	0.40

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Income Account *

Year ended	7/25/87	7/26/86
Net sales	$ 173,670,681	$ 135,827,743
Cost of sales	103,765,195	83,261,792
Expenses	46,704,844	35,773,217
Interest income	(1,245,913)	(878,675)
Income before taxes	$ 24,446,555	$ 17,671,409
Income taxes	11,539,000	8,510,900
Net Income	$ 12,907,555	$ 9,160,509

* Included in Costs and Expenses, Depreciation and Amortization: $1,816,373 in 1987 and $1,278,261 in 1986.

Assets

As of	7/25/87	7/26/86
Cash & cash equiv.	$ 10,754,512	$ 10,137,278
Investments	10,475,183	6,070,696
*Inventories	21,878,459	17,032,591
Prepaid expenses	724,733	1,903,757
Current Assets	$ 43,832,887	$ 35,144,322

#Fixed assets	15,114,894	9,856,378
Other assets	522,907	481,376
Total Assets	$ 59,470,688	$ 45,482,076
Liabilities		
Notes payable	$ —	$ 25,000
Accts. payable	11,822,270	10,773,078
Accruals	4,825,528	4,403,297
Customer credits	887,700	794,936
Income taxes	1,175,499	1,652,736
Deferred income taxes	—	819,558
Curr. Liabilities	$ 18,710,997	$ 18,468,605
Long-term debt	—	25,000
Deferred inc. taxes	980,473	795,915
+Common stock	1,110,167	553,911
Add. paid-in capital	4,239,803	4,116,952
Retained earnings	34,429,248	21,521,693
Total Liabilites & Shareholders'Equity	$ 59,470,688	$ 45,482,076

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.05 par value.

Statistical Summary

%Income bef. Taxes to Sales	14.08	13.01
%Net Income to Sales	7.43	6.74
%Net Income to Equity	32.45	34.97
Sales to Inventories	7.94	7.97
Working Capital	$ 25,121,890	$ 16,675,717
Current Ratio	2.34	1.90
Shareholders' Equity	$ 39,779,218	$ 26,192,556

Dylex Limited

637 Lake Shore Boulevard West
Toronto, Ontario, M5V 1A8, Canada
(416) 586-7000

Officers: J. F. Kay, chairman of the board; Wilfred Posluns, president & chief exec. officer; Irving Posluns, exec. vice president & treasurer; Kenneth Axelrod, v.p.-Manchester Clothing; Gordon Edelstone, v.p.-Tip Top; Gunter Leverenz, v.p.-distribution; Irving Levine, v.p.-Fairweather; Joel N. Cooper, v.p.-Braemar; Sydney Loftus, v.p.-Dylex Real Estate; Paul Mancini, v.p.-Western Apparel; Jerome A. Cornqold, v.p.-Tobias Kotzin; Lionel Robins, v.p.-Fairweather; Harry Rosen, v.p.-Harry Rosen Men's Wear; Henry Zagdanski, v.p.-Nu Mode Dress; Lynn Posluns, v.p.-Fairweather; Donald J. Evans, v.p.-Tip Top; Mickey Maklin, v.p.-Thrifty's; Norman Shaw, v.p.-M.I.S.; Donald Williams, secretary & chief financial officer.

Directors: Kenneth Axelrod, D. W. Casey, J. F. Kay, S. F. Kay, David Korn, Irving Levine, Sydney Loftus, Irving Posluns, Richard Posluns, Wilfred Posluns, Lionel Robins, Harry Rosen, S. M. Sigel, W. H. Singer, H. J. Stitt, Henry Zagdanski, A. H. Zaldin, Irving Teitelbaum, Gordon Edelstone, Donald J. Evans, Russell Jacobson, Donald A. Williams, Wendy Posluns, William Eisenberg.

Business Activities: Engaged in the specialty merchandising of apparel with women's, men's and family retail clothing stores located throughout Canada. Stores operate under such names as Fairweather, Big Steel Man, Braemar, Ruby's, Suzy Shier/L.A. Express, Tip Top, Harry Rosen, Thrifty's, T. Edwards, B. H. Emporium and Bi-Way. Manufactures women's and children's coats and dresses marketed under such brand names as 'Young Canadian', 'Thunder Bay', 'Picknit', and 'Nu Mode', men's and women's sweaters and men's casual clothing. The Shoe Shoppe, in which Dylex has a 50% interest, operates Ruby's, Fantasia, Diva, and Feathers free standing shoe stores and shoe departments. Dylex holds a 50% interest in Town & Country, a chain of sports and casual women's wear stores, and a 48.03% interest in Drug World, which operates six drug stores in Ontario, Canada.

In the U.S., the Company operates Wet Seal and Foxmoor young women's apparel stores, Club International men's clothing stores, and NBO off-price clothing stores.

Divisions and Subsidiaries:

Manchester Children's Wear
9494 St. Laurent Boulevard
Montreal, Quebec H2N 1P4
Specializes in the manufacture of women's coats.

National Knitting Mills Company
1485 Dupont Street
Toronto, Ontario M6P 3S2
Manufactures men's and women's sweaters.

San Remo Knitting Mills Inc. (75% owned)
5333 Casgrain Street
Montreal, Quebec H3T 1X3
Manufactures men's casual clothing.

Forsyth Trading Company (26.67% interest)
36 Horner Avenue
Toronto, Ontario M8Z 5Y1

Irving Posluns' Sportswear
637 Lakeshore Boulevard West
Toronto, Ontario M5V 1A8
Coat manufacturers.

Manchester Manufacturing Inc. (42% interest)
P.O. Box 107 Bridge Street
Colebrook, New Hampshire 03676

Nu Mode Dress (75% interest)
530 Adelaide Street West
Toronto, Ontario M5V 2K7
Manufactures women's dresses.

Paulman International Apparel Ltd. (75% owned)
955 Weston Road
Toronto, Ontario M6N 3R4

Shane Knit Ltd. (50% owned)
456 Alliance Avenue
Toronto, Ontario M6N 2J2
Manufactures men's and women's sweaters.

Suzy Shier Inc. (50.1% owned)
1604 St. Regis Boulevard
Dorval, Quebec H9P 1H6

B. H. Emporium
637 Lakeshore Blvd. West
Toronto, Ontario M5V 1A8

Big Steel Man
637 Lakeshore Blvd. West
Toronto, Ontario M1S 3M7

Bi-Way Stores Limited
115 Commerce Blvd.
Scarborough, Ontario M1S 3M7

Braemar
637 Lakeshore Blvd. West
Toronto, Ontario M5V 1A8

Town & Country/Petites (50% owned)
4100 Weston Road
Toronto, Ontario M9L 2Y6

Fairweather
637 Lakeshore Blvd. West
Toronto, Ontario M5V 1A8

NBO Stores, Inc. (50% owned)
111 Richmond Street West
Toronto, Ontario M5H 2G4

Harry Rosen Inc. (51% owned)
111 Richmond Street West
Toronto, Ontario M5H 2G4

Target Apparel
(Integrated Manufacturing)
965 Weston Road
Toronto, Ontario M6N 3R4

The Shoe Shoppe Limited (50% owned)
85 Scarsdale Road
Don Mills, Ontario M3B 2R2

Thrifty Riding & Sport Shop Limited
637 Lake Shore Blvd. W.
Toronto, Ontario M5V 1A8

Tip Top Tailors
637 Lakeshore Blvd., West
Toronto, Ontario M5V 1A8

Weston Apparel Manufacturing
(Integrated Manufacturing)
965 West Road
Toronto, Ontario M6N 3R4

BR Investors, Inc. (48.5% interest)

Brooks Fashion Stores, Inc.
370 Seventh Avenue
New York, New York 10001

T. Edwards

The Wet Seal Inc. (86.8% owned by Suzy Shier Inc.)
1852 Kaiser
Irvine, California 92714

Club International, Inc.
Fox Valley Shopping Centre
Highway 59 & 65
Aurora, Illinois 60505

Foxmoor Specialty Stores Corporation
393 Manley Street
West Bridgewater, Massachusetts 02379

Drug World (48.03% interest)

Transfer Agent(s):

The Royal Trust Company
Toronto, Ontario, Canada

Stock Exchange(s): Toronto, Montreal

Ticker Symbol: DLX

Number of Stores: (at fiscal year end)

1987	1,994	1984	2,500
1986	1,922	1983	998
1985	1,860		

Sales & Earnings

	Net Sales (000's)	Net Income ‡ (000's)
1987	$ 1,299,856	$ (117,821)
1986	1,208,600	25,118
1985	1,082,133	46,753
1984	926,676	41,196
1983	822,404	31,484

	No. of Com. Shares #	Earn. per Share ‡ #
1987	49,127,000	$ —
1986	48,047,000	0.51
1985	46,689,000	1.00
1984	46,689,000	0.88
1983	44,232,000	0.71

(Loss)
Based on the average number of common shares and Class A shares combined adjusted to reflect stock split.

Revenues by Line of Business

	1987 (000's)	1986 (000's)
Retail	$ 1,228,086	$ 1,120,658
Fashion manufacturing	71,770	87,942
Total	$ 1,299,856	$ 1,208,600

Common Stock

	Cash Dividend‡	Stock Dividend	Stock Split
1987	$ 0.20	—	—
1986	0.20	—	—
1985	0.19	—	3-for-1
1984	0.17	—	—
1983	0.13	—	—

‡ On common and Class A shares; adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	$ 355,052,000	$ 7.23
1986	336,617,000	7.01
1985	269,031,000	5.76
1984	225,636,000	4.83
1983	190,221,000	4.30

‡ Based on the average number of common shares and Class A shares combined adjusted to reflect stock split.

Income Account (000's)

Year ended	1/30/88	1/31/87
Net sales	$ 1,299,856	$ 1,208,600
Cost of sales	1,175,965	1,091,415
Depreciation & amortization	27,872	24,782
Interest expense	27,548	15,382
Interest income	(13,363)	(7,559)
Income before taxes	$ 81,934	$ 84,580
Income taxes	41,610	42,413
Loss (income) from invest.	1,726	(6,946)
Minority interest	3,468	3,334
Loss & writedown of invest. in Brooks Fashion	152,951	20,561
Net Income (Loss)	$ (117,821)	$ 25,118
Extraord. gain	—	1,115
Net Income (Loss) & extraord. gain	$ (117,821)	$ 26,233

Assets (000's)

As of	1/30/88	1/31/87
Cash & short-term deposits	$ 216,890	$ 135,282
Accts. receiv., net	25,086	24,780
Sundry debtors	2,640	759
*Inventories	174,372	144,711
Prepaid expenses	4,779	4,504
Deferred inc. taxes	2,370	—
Current Assets	$ 425,337	$ 310,036
Investments	113,039	220,327
#Fixed assets	73,819	67,892
Leased assets under cap. leases	72,659	64,551
Intangibles	17,497	13,572
Total Assets	$ 703,351	$ 676,378

Liabilities (000's)

Long-term debt, curr.	$ 886	$ 1,645
Accts. payable & accruals	126,537	117,050
Income and other taxes	18,032	23,959
Oblig. under cap. leases, curr.	16,514	14,104
Curr. liabilities	$ 161,969	$ 156,758
Long-term debt	112,731	117,788
Oblig. under cap. leases	57,797	51,013
Minority interest	15,802	14,075
Deferred inc. taxes	—	127
Convertible debentures	150,875	—
+Common stock	1,687	1,687
+Class A stock	89,750	89,750
+Class C stock	51,495	51,495
Add. paid-in capital	1,435	1,457
Ex. trans. adjust.	(3,952)	1,254
Retained earnings	63,762	190,974
Total Liabilies & Shareholders' Equity	$ 703,351	$ 676,378

* At lower of cost and net realizable value. Mfg. inventories at lower of cost (FIFO) and net realizable value.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	6.30	7.00
%Net Income to Sales	—	2.08
%Net Income to Equity	—	7.46
Sales to Inventories	7.45	8.35
Debt to Equity	0.53	0.55
Working Capital	$ 264,368,000	$ 153,278,000
Current Ratio	2.63	1.98
Shareholders' Equity	$ 355,052,000	$ 336,617,000

E & B Marine Inc.

201 Meadow Road
P.O. Box 747
Edison, New Jersey 08818
(201) 819-7400

Officers: Gerald Bench, chairman of the board, president & chief executive officer; Frederick H. Bond, Jr., executive v.p., chief financial officer & treasurer; Robert Defonte, sr. v.p. & secretary; Charles Goldberg, president-Goldbergs' Marine Distributors, Inc.; Russell Hoyt, v.p.-retail operations; Brian Dunn, v.p.-product management; Richard Goldberg, v.p.-marketing; Daniel B. Morris, controller & asst. treasurer; Thomas Orabowski, director-security & retail audit; Maureen Mead, director-Merchandise Control; Jack Howie, director-real estate; Andrew Riegler, director-management information systems; Mark Sade, director-mail order.

Directors: Gerald Bench, chairman of the board; Frederick H. Bond, Jr., Charles Goldberg, Robert Defonte, Robert Bench, Thomas M. Haythe, Peter L. Richard, Ronald P. Vogel, John H. Weiland.

Business Activities: Operates 30 retail outlets in nine eastern states. These outlets sell marine supplies and accessories, for the recreational boating market, and operate under the names E&B Marine, Bliss Marine, and Goldbergs' Marine. The Company also sells marine merchandise through direct mail.

Subsidiaries:

Goldbergs' Marine Distributors
James Bliss & Co., Inc.
E&B Marine Supply Inc.
Central Marine Supply Inc.
SeaRanger

Transfer Agent(s):

Manufacturers Hanover Trust Co.
450 West 33rd Street
New York, New York 10001

Stock Exchange(s): Over-the-Counter, Boston

Ticker Symbol: EBMI (NASDAQ)

Number of Stores: (at fiscal year end)

1987	30	1984	15
1986	31	1983	10
1985	25		

Sales & Earnings

	Net Sales	Net Income
1987	$ 84,512,000	$ (4,904,000)
1986	80,524,000	(1,661,000)
1985	56,374,000	1,301,000
1984	39,356,000	1,509,000
1983	31,312,000	1,896,000

	No. of Com. Shares ‡	Earn. per Share ‡
1987	1,986,000	$ —
1986	1,980,000	—
1985	2,065,000	0.63
1984	2,328,000	0.65
1983	2,034,000	0.93

(Loss)
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	$ 5,678,000	$ 2.86
1986	10,467,000	5.29
1985	11,955,000	5.79
1984	14,843,000	6.38
1983	13,333,000	6.54

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended Dec. 31	1987	1986
Net sales	$ 84,511,627	$ 80,523,859
Cost of sales	55,124,064	51,527,952
Expenses	33,460,013	29,730,418
Interest expense	2,831,601	2,151,089
Loss before taxes	$ (6,904,051)	$ (2,885,600)
Tax credit	(2,000,000)	(1,225,000)
Net Loss	$ (4,904,051)	$ (1,660,600)

* Included in Costs and Expenses, Depreciation and Amortization: $1,097,053 in 1987 and $1,008,139 in 1986.

Assets

As of Dec. 31	1987	1986
Cash	$ 605,049	$ 872,029
Accts. receiv., net	848,518	1,248,997
Refundable taxes	2,280,045	3,031,440
*Inventories	16,083,083	21,050,000
Prepaid expenses	1,062,123	1,394,211
Loans receivable	52,759	598,575
Current Assets	$ 20,931,577	$ 28,195,252
Notes receivable	750,000	750,000
#Fixed assets	5,202,281	4,965,808
Customer lists	3,558,879	4,034,775
Other assets	1,357,580	2,132,406
Intangibles	7,796,999	8,007,887
Loans receivable	906,637	—
Total Assets	$ 40,503,953	$ 48,086,128

Liabilities

Notes payable	$ —	$ 7,271,905
Long-term debt, curr.	78,134	1,306,884
Accts. payable & accruals	6,695,562	8,369,783
Curr. Liabilities	$ 6,773,696	$ 17,148,572

Revolving line of credit	11,500,000	—
Note payable	710,000	—
Convert. debentures	750,000	750,000
Long-term debt	15,092,342	19,548,602
Deferred inc. taxes	—	171,700
+Common stock	23,198	23,156
Add. paid-in capital	10,028,883	10,002,963
Retained earnings (deficit)	(272,237)	4,631,814
Treasury stock	(3,436,304)	(3,436,304)
Value assigned to unearned comp.	(665,625)	(754,375)
Total Liabilities & Shareholders' Equity	$ 40,503,953	$ 48,086,128

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

Sales to Inventories	5.25	3.83
Debt to Equity	2.67	2.71
Working Capital	$ 14,157,881	$ 11,046,680
Current Ratio	3.09	1.64
Shareholders' Equity	$ 5,677,915	$ 10,467,254

Edison Brothers Stores, Inc.

501 North Broadway
P.O. Box 14020
St. Louis, Missouri 63178
(314) 331-6000

Officers: Andrew E. Newman, chairman of the board; Martin K. Sneider, president; Willard Fonarow, exec. v.p.; A.A. Sachs, v.p. & secretary; G. Richard Oscarson, vice president-real estate; Bernard W. Colton, vice president-architecture & construction; Michael H. Freund, vice president-administration; Walter H. Heinecke, vice president-real estate; Arthur J. Hollenbach, vice president-traffic manager; George M. Spreiser, vice president-distribution centers; Surendra S. Singhvi, vice president-treasurer; Lee G. Weeks, vice president-finance; Norman Gold, vice president-controller; M. Richard Wyman, vice president-corp. development; Jerald M. Alton, vice president-asst. secretary; Dan Orlando, vice president-insurance; Thomas K. McCain, vice president-taxes; Joe C. Brown, vice president-real estate; Mark I. Litow, vice president-legal; Roger L. Koehnecke, vice president-information systems; Eric A. Priesmeier, vice president-human resources; Robert Sterneck, asst. v.p.; Benjamin T. Allen, asst. v.p.; William J. Young, asst. v.p.; Paul J. Goldak, asst. v.p.; Theodore E. Fanter, asst. v.p.; Thomas M. Feiner, asst. v.p.; Sharon Hesse, asst. v.p.; Mary Beth Tevis, asst. v.p.; James C. Blair, asst. v.p.; Barbara H. Lagenos, asst. v.p.; Elisabeth Y. Merenda, asst. v.p.; Kenneth C. Vaught, asst. v.p..

Directors: Irving Edison, Bernard A. Edison, Julian I. Edison, Eric P. Newman, Henry Kohn, Walter H. Heinecke, Lee G. Weeks, Andrew E. Newman, Darryl R. Francis, M. Richard Wyman, Martin Sneider, Michael H. Freund, Peter J. Solomon.

Business Activities: Operates women's shoe stores under the names Chandler, Bakers, Leeds, Burts, Sacha London and The Wild Pair; also operates leased shoe departments; operates Jeans West, Oak Tree, and J. Riggins men's apparel stores, 5-7-9 Shops, women's apparel stores, and Joan Bari accessories boutiques.

Transfer Agent(s):

Mellon Securities Trust Company
New York, New York 10271

Stock Exchange(s): New York

Ticker Symbol: EBS

Number of Stores: (at fiscal year end)

1987	2,514	1984	2,355
1986	2,475	1983	2,175
1985	2,435		

Sales & Earnings

	Net Sales	Net Income
1987	$ 931,000,000	$ (12,200,000)
1986*	904,200,000	33,900,000
1985	808,380,000	27,000,000
1984	785,900,000	32,900,000
1983	781,700,000	48,900,000

	No. of Com. Shares #	Earn. per Share #
1987	9,919,000	$ —
1986*	10,095,000	3.36
1985	10,145,000	2.66
1984	10,305,000	3.19
1983	10,831,000	4.51

(Loss)
* 53 weeks.
# Based on the weighted average number of common shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	$ 1.80	—	—
1986	1.60	—	—
1985	1.60	—	—
1984	1.60	—	—
1983	1.46	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	$ 193,300,000	$ 19.49
1986	224,900,000	22.28
1985	215,900,000	21.28
1984	282,600,000	27.42
1983	286,900,000	26.49

‡ Based on the weighted average number of common shares outstanding.

Income Account *
(000's)

Year ended	1/2/88	1/3/87 (53 weeks)
Net sales	$ 931,000	$ 904,200
Cost of sales	646,700	595,600
Expenses	261,700	255,109
Restruc. costs	53,900	—
Interest expense	9,200	5,800
Pension settlement gain	(6,000)	(14,700)
Income (loss) before taxes	$ (34,500)	$ 62,400
Income taxes (credit)	(13,600)	28,500
Cum. effect of change in accntg. meth.	(8,700)	—
Net Income (Loss)	$ (12,[illegible])	$ 33,900

* Included in Costs and Expenses, Depreciation and Amortization: $30,800,000 in 1987 and $27,400,000 in 1986.

Assets
(000's)

As of	1/2/88	1/3/87
Cash & short-term invest.	$ 36,300	$ 80,400
*Inventories	116,200	118,600
Assets held for resale	10,100	—
Other curr. assets	37,100	17,700
Current Assets	$ 199,700	$ 216,700
#Fixed assets	169,000	173,600
Other assets	26,700	22,400
Prepaid pension expense	23,800	20,700
Total Assets	$ 419,200	$ 433,400

Liabilities
(000's)

Accts. payable	$ 55,700	$ 64,300
Payroll & vacations	13,500	11,600
Income taxes	1,300	5,200
Other taxes	11,500	12,700
Phaseout reserves	19,700	—
Other curr. liabilities	20,900	11,800
Curr. Liabilities	$ 122,600	$ 105,600
Long-term debt	64,600	66,100
Deferred inc. taxes & other credits	31,700	36,800
+Common stock	9,900	10,000
Retained earnings	183,400	214,900
Total Liabilities & Shareholders' Equity	$ 419,200	$ 433,400

* 57% at lower of cost (principally average) or market; 43% based on the retail method.
# Less accumulated depreciation & amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	--	6.90
%Net Income to Sales	—	3.75
%Net Income to Equity	—	15.07
Sales to Inventories	8.01	7.62
Debt to Equity	0.33	0.29
Working Capital	$ 77,100,000	$ 111,100,000
Current Ratio	1.63	2.05
Shareholders' Equity	$ 193,300,000	$ 224,900,000

Egghead, Inc.

22027 17th Avenue S.E.
Bothell, Washington 98021
(206) 486-7337

Officers: Victor D. Alhadeff, chairman of the board, president & chief executive officer; David K. Cully, sr. v.p. & general merchandise manager; Stephen J. Schweickert, sr. v.p., secretary & treasurer; James J. David, v.p.-direct sales; Larry Foster, v.p.-purchasing; R. J. Hensly, v.p.-real estate; Joseph V. Heredia, v.p.-management information systems; David E. Levy, v.p.-marketing; Ralph Lewis, v.p.-distribution; Stuart F. Rosenwald, v.p. & controller; James E. Smith, v.p.-human resources.

Directors: Victor D. Alhadeff, chairman; Paul G. Allen, Bert R. Cohen, Ronald P. Erickson, William S. Field, Steven E. Lebow, George P. Orban, Herman Sarkowsky, Stuart M. Sloan, Samuel N. Stroum, Ronald A. Weinstein.

Business Activities: Operates 120 retail outlets engaged in the sale of personal computer software. These outlets are located in 16 states and the District of Columbia and operate under the name Egghead Discount Software. The Company also maintains a direct sales staff.

Subsidiary:

DJ&J Software Corporation

Transfer Agent(s):

Bank of Boston
Boston, Massachusetts

Stock Exchange(s): Over-the-Counter

Ticker Symbol: EGGS

Number of Stores: (at fiscal year end)

1988	112	1986	19
1987	47	1985	10

Sales & Earnings

	Net Sales	Net Income
1987	$ 201,096,000	$ 4,624,000
1986	77,568,000	1,974,000
1985	36,598,000	(669,000)
1984	5,357,000	(444,000)

	No. of Com. Shares ‡	Earn. per Share ‡
1987	10,090,000	$ 0.46
1986	7,894,000	0.25
1985	4,058,000	—
1984	2,852,000	—

(Loss)
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity †	Equity Per Share ‡
1987	$ 5,908,000	$ 0.55
1986	1,099,000	0.14

† After allowing for preferred stock at liquidation values.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account (000's)

Year ended	4/2/88	3/28/87
Net sales	$ 201,096	$ 77,568
Cost of sales	158,015	62,422
Expenses	32,466	11,850
Depreciation & amortization	1,502	450
Interest expense	993	206
Loss on dispos. of assets	443	74
Other expense	58	—
Income before taxes	$ 7,619	$ 2,566
Income taxes	2,995	592
Net income	$ 4,624	$ 1,974

Assets (000's)

As of	4/2/88	3/28/87
Cash	$ 3,184	$ 1,651
Accts. receiv., net	22,662	9,435
*Inventories	44,455	20,580
Prepaid expenses	4,195	664
Deferred tax benefit	794	64
Current Assets	$ 75,290	$ 32,394
#Fixed assets	16,121	5,230
Other assets	1,049	360
Total Assets	$ 92,460	$ 37,984

Liabilities (000's)

Long-term debt, curr.	$ 592	$ 460
Accts. payable	28,469	15,280
Accruals	6,189	1,845
Income taxes	2,216	561
Curr. Liabilities	$ 37,466	$ 18,146
Long-term debt	15,627	823
Deferred rent	868	369
Deferred inc. taxes	539	95
+Preferred stock:		
Series A	34	34
Series B	17	17
Series C	15	—
++Common stock	42	42
Add. paid-in capital	32,423	17,653
Retained earnings	5,429	805
Total Liabilities & Shareholders' Equity	$ 92,460	$ 37,984

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value; Series A: 8% non-cumulative, Series B: 2.66% non-cumulative, Series C: 1.66% non-cumulative.
++ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	3.79	3.31
%Net Income to Sales	2.30	2.54
%Net Income to Equity	12.18	10.64
Sales to Inventories	4.52	3.77
Debt to Equity	0.43	0.07
Working Capital	$ 37,824,000	$ 14,248,000
Current Ratio	2.01	1.79
Shareholders' Equity	$ 37,960,000	$ 18,551,000

The Elder-Beerman Stores Corp.

(A Private Company as of August 1987)

3155 El-Bee Road
Dayton, Ohio 45439
(513) 296-2700

Officers: Max Gutmann, chairman of the board & chief executive officer; Herbert O. Glaser, exec. v.p.; Bruce A. Macke, exec. v.p.; Harry A. Jensen, secretary; Paul E. Lazorski, sr. v.p.-operations; Bernard Gutmann, sr. v.p.; Rafael Furst, sr. v.p. & treasurer; Kenneth R. Epstein, sr. v.p.; David W. Lovejoy, sr. v.p. & controller; Leonard B. Pesi, v.p.-cost & leased departments; Raymond Clayman, asst. secretary.

Directors: Max Gutmann*, Richard J. Jacob*, Robert A. Kerr*, Sidney S. Kahn, Charles M. Waldron, Barbara Beerman Weprin*, Leonard B. Pesi, Raymond Clayman, Herbert O. Glaser, Mrs. Arthur Beerman.

* Member of the Executive Committee

Business Activities: Operates department stores serving the Dayton, Cincinnati, and Toledo, Ohio, metropolitan areas under the Elder-Beerman name. Also operates 120 shoe departments and shoe stores in Ohio, Indiana, Kentucky, West Virginia, and Texas under the name 'El-Bee Shoe Outlet'; 88 specialty stores (Margo's) featuring women's sportswear, dresses and shoes in Texas, Oklahoma, New Mexico and Arkansas and two furniture showrooms. The Company also operates a credit finance subsidiary, the El-Bee Chargit Corp.

Divisions and Subsidiaries:

The El-Bee Chargit Corp.
3155 El-Bee Road
Dayton, Ohio 45439

Margo's Division
5909 Live Oak Drive
Dallas, Texas 75204

The Bee-Gee Shoe Division
153 E. Helena Street
Dayton, Ohio 45404

Number of Stores: (at fiscal year end)

	Dept. Stores	Shoe Stores
1987	29	120
1986	25	108
1985	21	103
1984	21	88
1983	21	82

	Office Outfit	Furniture Showrooms
1987	—	2
1986	—	2
1985	—	2
1984	3	2
1983	3	3

	Specialty Stores
1987	88
1986	102
1985	106
1984	92
1983	89

Evans, Inc.

36 South State Street
Chicago, Illinois 60603
(312) 855-2000

Officers: David Meltzer, chairman of the board; Robert K. Meltzer, president & chief executive officer; Harold Sussman, executive vice president; Patrick J. Logan, v.p.-finance & treasurer; Robert Parraga, v.p.-personnel; Irving Karns, exec. v.p.-nat'l. operations; Robert R. Meltzer, v.p.-merchandising; Samuel B. Garber, v.p., secretary & general counsel; Fred Handel, exec. v.p.-general fur merchandising manager; Barry Novick, sr. v.p. & pres.-Fur Division; Robert LaBelle, v.p.-stores; Paul Becker, v.p.-merchandising; Patricia Mechanic, v.p. & gen. merchandise mgr.-Apparel Division.

Directors: D. B. Meltzer, chairman; Miles L. Berger, Robert K. Meltzer, David B. Heller, Harold Sussman, Burton L. Gordon, Edmond D. Cicala.

Business Activities: Owns and operates 27 women's apparel stores specializing in furs. The stores are located in Illinois, Indiana, Colorado, Arizona, Texas, Louisiana, Oklahoma, Nevada, Maryland, Virginia, New York, Georgia, and Washington, D.C. In addition, the company leases fur salons in 130 locations from 12 major department stores. The stores operate primarily under the names Evans, Koslow's, Arctic Dream, and Rosendorf/Evans.

Transfer Agent(s):

First National Bank of Chicago
Chicago, Illinois

Stock Exchange(s): Over-the-Counter

Ticker Symbol: EVAN (NASDAQ)

Number of Stores: (at fiscal year end)

1987	27	1984	18
1986	25	1983	18
1985	22		

Sales & Earnings

	Net Sales ‡	Net Income
1988	$ 147,765,000	$ (903,000)
1987	156,635,000	2,090,000
1986	147,644,000	1,733,000
1985	145,658,000	5,658,000
1984	136,001,000	6,441,000

	No. of Com. Shares #	Earn. per Share #
1988	4,921,864	$ —
1987	4,518,213	0.46
1986	3,969,571	0.44
1985	4,567,050	1.24
1984	4,662,045	1.38

(Loss)
‡ Includes service and other revenues.
# Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend #	Stock Dividend	Stock Split
1988	$ 0.02	—	—
1987	0.04	—	—
1986	0.03	—	9-for-1
1985	0.033	—	—
1984	0.033	—	—

Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share #
1988	$ 51,885,000	$ 10.54
1987	52,706,000	10.74
1986	37,277,000	9.44
1985	35,508,000	9.02
1984	34,069,000	7.23

Adjusted to reflect stock split.

Income Account* (000's)

Year ended	2/27/88	2/28/87
Net sales	$ 133,201	$ 142,121
Other income	14,564	14,514
Total income	$ 147,765	$ 156,635
Cost of sales	93,266	94,972
Expenses	52,497	52,810
Prov. for doubt. accts.	816	809
Interest expense	4,181	3,817
Other income	(347)	(127)
Income (loss) before taxes	$ (2,648)	$ 4,354
Income taxes	(969)	2,264
Cum. effect of accatng. change	(776)	—
Net Income (Loss)	$ (903)	$ 2,090

* Included in Costs and Expenses, Depreciation and Amortization: $2,689,000 in 1988 and $2,787,000 in 1987.

Assets (000's)

As of	2/27/88	2/28/87
Cash	$ 3,899	$ 3,260
Cash investments	12,519	15,099
Receiv., net	29,469	32,722
*Inventories	27,412	29,256
Prepaid expenses	3,815	2,525
Current Assets	$ 77,114	$ 82,862
#Fixed assets	19,100	19,325
Other assets	3,476	3,896
Total assets	$ 99,690	$ 106,083

Liabilities (000's)

Long-term debt, curr.	$ 2,217	$ 2,252
Accts. payable	4,911	5,241
Accruals	8,736	9,213
Income taxes	123	2,312
Curr. Liabilities	$ 15,987	$ 19,018
Long-term debt	25,299	27,549
Deferred compensation	6,519	6,810
+Common stock	1,267	1,267
Add. paid-in capital	15,673	15,508
Retained earnings	39,521	40,522
Treasury stock	(4,576)	(4,591)
Total Liabilities & Shareholders' Equity	$ 99,690	$ 106,083

* At lower of cost (invoice amount for furs & retail method) or market.
# Less accumulated depreciation and amortization.
+ $0.20 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	3.06
%Net Income to Sales	—	1.47
%Net Income to Equity	—	3.97
Sales to Inventories	4.86	4.86
Debt to Equity	0.53	0.52
Working Capital	$ 61,127,000	$ 63,044,000
Current Ratio	4.82	4.36
Shareholders' Equity	$ 51,885,000	$ 52,706,000

Fabri-Centers of America, Inc.

23550 Commerce Park Road
Beachwood, Ohio 44122
(216) 464-2500

Officers: Martin Rosskamm, chairman; Alan Rosskamm, president & chief executive officer; James Monro, Jr., exec. v.p.; Robert Norton, sr. v.p. & chief financial officer; John Stec, sr. v.p.-real estate; Gordon Williams, sr. v.p.-store operations; Alma Zimmerman, senior v.p.; Justin Zimmerman, senior v.p.; Betty Rosskamm, secretary & treasurer; Travis Ballew, v.p.-merchandising; Jane Aggers, v.p.-merchandising; Donna Halpin, v.p.-sales promotion; Joseph Williams, v.p. & controller; Tim Hopkins, president-Cargo Express.

Directors: Sidney Dworkin, Alan Rosskamm, Betty Rosskamm, Joseph H. Thomas, Alma Zimmerman, Justin Zimmerman, Scott S. Cowen, Martin Rosskamm, Samuel J. Krasney.

Business Activities: Operates a chain of retail fabric stores, primarily under the name Jo-Ann Fabrics in 36 states and the District of Columbia. The Company also operates a group of boutique-type high fashion shops under the Showcase of Fine Fabrics name, called House of Fine Fabrics in the greater Washington, D.C. marketing area. Company outlets sell a wide variety of fashion and decorator fabrics, sewing notions, patterns and related accessories principally under the name Best Fabric Outlet. The Company also operates 18 Cargo Express stores, which retail glassware, tableware and housewares.

Transfer Agent(s):

AmeriTrust Company, National Association
Cleveland, Ohio

Stock Exchange(s): New York

Ticker Symbol: FCA

Number of Stores: (at fiscal year end)

1988	653	1985	669
1987	669	1984	628
1986	670		

Sales & Earnings

	Net Sales	Net Income
1988	$ 266,676,000	$ (4,909,000)
1987	239,352,000	1,798,000
1986	233,153,000	1,034,000
1985 *	226,937,000	3,875,000
1984	209,399,000	4,564,000

	No. of Com. Shares ‡	Earn. per Share ‡
1988	5,006,774	$ —
1987	4,980,392	0.36
1986	5,062,701	0.20
1985 *	5,095,376	0.76
1984	5,090,111	0.90

(Loss)
* 53 weeks.
‡ Based on the weighted average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	$ 0.14	—	—
1987	0.28	—	—
1986	0.28	—	—
1985	0.28	—	—
1984	0.28	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	$ 54,257,000	$ 10.84
1987	59,727,000	11.99
1986	60,057,000	11.86
1985	60,247,000	11.91
1984	58,968,000	11.52

‡ Based on the average number of shares outstanding.

Income Account *

Year ended	1/30/88	1/31/87
Net sales	$ 266,676,000	$ 239,352,000
Cost of sales	144,835,000	119,407,000
Expenses	121,635,000	114,553,000
Interest expense	3,277,000	2,262,000
Unusual item	5,243,000	—
Income (loss) before taxes	$ (8,314,000)	$ 3,130,000
Income taxes (credit)	(3,405,000)	1,332,000
Net Income (Loss)	$ (4,909,000)	$ 1,798,000

* Included in Costs and Expenses, Depreciation and Amortization: $5,179,000 in 1988 and $4,593,000 in 1987.

Assets

As of	1/30/88	1/31/87
Cash	$ 3,417,000	$ 2,626,000
Receiv., net	2,441,000	2,000,000
* Inventories	86,050,000	75,036,000
Prepaid expenses	7,142,000	4,390,000
Current Assets	$ 99,050,000	$ 84,052,000
# Fixed assets	23,186,000	24,700,000
Intangibles	—	3,780,000
Other assets	1,539,000	2,037,000
Total Assets	$ 123,775,000	$ 114,079,000

Liabilities

Long-term debt & cap. lease oblig. curr.	$ 803,000	$ 5,802,000
Short-term bank loans	—	3,000,000
Accts. payable	28,608,000	29,139,000
Accruals	7,535,000	4,042,000
Income taxes	—	1,315,000
Curr. Liabilities	$ 36,946,000	$ 43,298,000

Long-term debt	30,022,000	8,247,000
Other long-term liabilities	347,000	616,000
Deferred inc. taxes	2,203,000	2,191,000
+ Common stock	101,000	498,000
Add. paid-in capital	15,598,000	15,305,000
Unearned comp.	(465,000)	(308,000)
Retained earnings	38,623,000	44,232,000
Total Liabilities & Shareholders' Equity	$ 123,775,000	$ 114,079,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value; $0.10 stated value.

Statistical Summary

%Income bef. Taxes to Sales	—	1.31
%Net Income to Sales	—	0.75
%Net Income to Equity	—	3.01
Sales to Inventories	3.10	3.19
Debt to Equity	0.57	0.29
Working Capital	$ 62,104,000	$ 40,754,000
Current Ratio	2.68	1.94
Shareholders' Equity	$ 54,257,000	$ 59,727,000

Fabricland, Inc.

(formerly Fabric Wholesales,Inc.)

2035 N.E. 181st Avenue
Portland, Oregon 97230
(503) 666-4511

Officers: Tony J. Bosboom, president & chief executive officer; Jacques B. Nicols, treasurer & secretary; Judith A. Bennett, v.p.-marketing & public relations; Raymond Cantu, v.p.-property management/real estate; Ronald E. Westcott, v.p.-purchasing; Maria Boucher, controller.

Directors: Tony J. Bosboom, Jacques B. Nichols, William E. Mahar.

Business Activities: Wholesalers and retailers of domestic and imported fabrics,sewing notions and trimmings. Operates retail stores in Oregon, Washington, Montana, Idaho, Arizona, and California under the Fabricland name.

Transfer Agent(s):

First Interstate Bank of Oregon
Portland, Oregon

Stock Exchange(s): Over-the-Counter

Ticker Symbol: FBRC (NASDAQ)

Number of Stores: (at fiscal year end)

1987	60	1984	49
1986	58	1983	46
1985	53		

Sales & Earnings

	Net Sales	Net Income
1987	$ 52,328,665	$ 2,136,692
1986	47,189,880	1,664,244
1985	38,650,441	1,558,132
1984*	16,208,305	561,218
1983	28,577,773	1,164,876

	No. of Com. Shares ‡	Earn. per Share ‡
1987	2,684,932	$ 0.80
1986	2,557,535	0.65
1985	2,184,932	0.71
1984*	2,184,932	0.26
1983	2,184,934	0.53

* 6 months.
‡ Based on the weighted average number of shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1987	$ 0.12	—	—
1986	0.12	—	—
1985	0.10	—	2-for-1
1984	0.038	—	2-for-1
1983	0.069	—	—

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	$ 14,760,176	$ 5.50
1986	12,945,676	5.06
1985	8,610,847	3.94
1984	7,271,208	3.33
1983	6,791,925	3.11

‡ Based on the weighted average number of shares outstanding adjusted to reflect stock splits.

Income Account

Year ended	6/30/87	6/30/86
Net sales	$ 52,328,665	$ 47,189,880
Cost of sales	35,320,750	32,177,871
Expenses	12,128,691	11,032,737
Depreciation & amortization	586,582	426,213
Interest expense	760,196	652,907
Other income	(489,246)	(164,092)
Income before taxes	$ 4,021,692	$ 3,064,244
Income taxes	1,885,000	1,400,000
Net Income	$ 2,136,692	$ 1,664,244

Assets

As of	6/30/87	6/30/86
Cash	$ 101,766	$ 42,926
Receiv., net	230,171	127,437
Notes receivable	5,724	31,818
*Inventories	24,958,169	22,275,219
Prepaid expenses	416,284	340,776
Income taxes	—	351,623
Current Assets	$ 25,712,114	$ 23,169,799
#Fixed assets	7,324,695	4,897,657
Other assets	624,057	355,147
Total Assets	$ 33,660,866	$ 28,422,603

Liabilities

Bank overdrafts	$ 331,702	$ 245,731
Notes paid to bank	2,571,695	5,756,974
Long-term debt, curr.	748,000	254,000
Accts. payable	5,815,373	4,794,401
Accruals	842,972	738,452
Income taxes	12,526	—
Curr. Liabilities	$ 10,522,268	$ 11,789,558
Long-term debt	3,594,475	1,810,587
Other payables	2,171,299	1,379,148
Mortg. payables	89,648	80,634
Deferred inc. taxes	523,000	417,000
+Common stock	5,084,873	5,084,873
Retained earnings	9,675,303	7,860,803
Total Liabilities & Shareholders' Equity	$ 33,660,866	$ 28,422,603

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	7.69	6.49
%Net Income to Sales	4.08	3.53
%Net Income to Equity	14.48	12.86
Sales to Inventories	2.10	2.12
Debt to Equity	0.60	0.60
Working Capital	$ 15,189,846	$ 11,380,241
Current Ratio	2.44	1.97
Shareholders' Equity	$ 14,760,176	$ 12,945,676

Family Dollar Stores, Inc.

P.O. Box 25800
10401 Old Monroe Road
Charlotte, North Carolina 28212
(704) 847-6961

Officers: Leon Levine, chairman of the board & treasurer; Ralph D. Dillon, president; John D. Reier, sr. v.p.-merchandising & advertising; Albert S. Rorie, sr. v.p.-data processing; Richard H. Griner, sr. v.p.-operations; George R. Mahoney, Jr., sr. v.p.-general counsel & secretary; Stephen G. Simms, sr. v.p.-real estate & construction; David J. Krause, v.p.-finance; Daylon W. Powell, asst. treasurer; Janice B. Burris, asst. secretary; Douglas Sullivan, v.p.-real estate; Norman Weizer, v.p.-store operations; Phillip W. Thompson, v.p.-store operations; Robert S. Parker, v.p.-loss prevention; Edgar L. Paxton, v.p.-advertising & sales promotion; C. Martin Sowers, controller.

Directors: Leon Levine, Thomas Payne, Ralph D. Dillon, George R. Mahoney, Jr., Mark R. Bernstein.

Business Activities: Operates a chain of discount variety stores located in 24 states, primarily in the eastern half of the U.S.

Transfer Agent(s):

Manufacturers Hanover Trust Company
New York, New York 10001

Stock Exchange(s): New York

Ticker Symbol: FDO

Number of Stores: (at fiscal year end)

1987	1,272	1984	756
1986	1,107	1983	635
1985	920		

Sales & Earnings

	Net Sales	Net Income
1987	$ 580,339,004	$ 24,802,432
1986	487,734,841	30,510,527
1985	410,088,400	28,006,936
1984	340,919,236	23,557,377
1983	264,440,407	15,726,580

	No. of Com. Shares ‡	Earn. per Share ‡
1987	29,001,962	$ 0.86
1986	28,911,348	1.06
1985	28,711,120	0.98
1984	28,601,070	0.83
1983	28,365,593	0.55

‡ Based on the weighted average number of common shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1987	$ 0.27	—	—
1986	0.23	—	—
1985	0.18 2/3	—	—
1984	0.11 2/3	—	—
1983	0.09 1/3	—	2-for-1

+ Adjusted to reflect stock split.

Family Dollar Stores, Inc.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	$ 159,571,825	$ 5.50
1986	141,293,677	4.89
1985	115,678,159	4.03
1984	90,999,459	3.18
1983	69,956,528	2.47

‡ Based on the weighted average number of common shares outstanding adjusted to reflect stock split.

Income Account *

Year ended Aug. 31	1987	1986
Net sales	$ 560,339,004	$ 487,734,841
Other income	5,141,732	7,977,378
Total income	$ 565,480,736	$ 495,712,219
Cost of sales	352,866,359	299,840,341
Expenses	165,831,545	138,332,777
Income before taxes	$ 46,782,832	$ 57,539,101
Income taxes	21,980,400	27,028,574
Net Income	$ 24,802,432	$ 30,510,527

* Included in Costs and Expenses, Depreciation: $8,491,876 in 1987 and $6,754,698 in 1986.

Assets

As of Aug. 31	1987	1986
Cash	$ 5,957,753	$ 4,713,871
Short term investments	7,348,955	20,298,247
*Inventories	142,435,568	122,498,772
Prepayments	2,836,381	3,731,177
Current Assets	$ 158,578,657	$ 151,242,067
#Fixed assets	82,493,099	65,603,630
Other assets	933,781	511,992
Total Assets	$ 242,005,537	$ 217,357,689

Liabilities

Accts. payable	$ 63,806,065	$ 58,562,315
Accruals	9,772,117	9,441,832
Income taxes	1,123,508	2,005,604
Curr. Liabilities	$ 74,701,690	$ 70,009,751
Deferred inc. taxes	7,732,022	6,054,261
+Common stock	2,945,566	2,935,086
Add. paid-in capital	6,817,592	5,517,071
Retained earnings	150,088,172	133,121,025
Treasury stock	(279,505)	(279,505)
Total Liabilities & Shareholders' Equity	$ 242,005,537	$ 217,357,689

* At lower of cost (FIFO) or market, determined by retail prices.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	8.35	11.80
%Net Income to Sales	4.43	6.26
%Net Income to Equity	15.54	21.59
Sales to Investories	3.93	3.98
Working Capital	$ 83,876,967	$ 81,232,316
Current Ratio	2.12	2.16
Shareholders' Equity	$ 159,571,825	$ 141,293,677

Fay's Drug Company, Inc.

7245 Henry Clay Boulevard
Liverpool, New York 13088
(315) 451-8000

Officers: Henry A. Panasci, Jr., chairman of the board & chief executive officer; Lawrence J. Rose, president & chief operating officer; Donald R. Bregande, v.p.-personnel; John A. Kuznia, v.p.-information systems; Gillian M. McAuliffe, v.p.-consumer affairs; Allan R. Travis, v.p.-advertising & promotion; John A. Kogut, sr. v.p.-operations; Warren D. Wolfson, v.p.-general counsel & secretary; Paul T. Anderson, v.p. & controller; David Panasci, v.p.-corp. development; Michael Winahradsky, v.p.-distribution; James Poole, v.p.-planning & treasurer; Daniel J. O'Leary, v.p.-finance & chief financial officer; James R. Wuest, v.p.-merchandise; Ray J. Ryan, v.p.-real estate.

Directors: Henry A. Panasci, Jr., Hyman Miller, John D. Burke, Tarky Lombardi, Jr., John Saril, Chris Witting, David H. Panasci, Robert H. Altman, Joyce I. Greenberg, John A. Kogut, Lawrence J. Rose, Daniel J. O'Leary, Warren D. Wolfson.

Business Activities: Operates 155 drug stores in upstate New York, Pennsylvania, Connecticut and Massachusetts. The Company also operates three Bantam drug stores, 14 discount auto part[illegible] supply stores under the name 'Wheels Discount Auto Supply,' 12 discount office supply stores under the name 'The Paper Cutter,' and a liquor store.

Transfer Agent(s):

Chase Lincoln First Bank, N.A.
P.O. Box 1250
Rochester, New York 14603

Stock Exchange(s): New York

Ticker Symbol: FAY

Number of Stores: (at fiscal year end)

1988	185	1985	119
1987	172	1984	102
1986	154		

Sales & Earnings

	Revenues	Net Income
1988	$ 500,414,005	$ 5,942,034
1987	452,299,585	4,098,014
1986	445,124,947	2,786,710
1985	366,697,274	8,679,179
1984	312,368,414	8,103,436

	No. of Com. Shares †	Earn. Per Share ‡
1988	14,245,878	$ 0.45
1987	14,132,113	0.29
1986	14,022,655	0.20
1985	13,910,232	0.62
1984	13,728,498	0.60

† Adjusted to reflect stock split.
‡ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend+	Stock Dividend	Stock Split
1988	$ 0.20	—	—
1987	0.20	—	—
1986	0.20	—	—
1985	0.19	—	—
1984	0.13	—	2-for-1

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	$ 54,999,032	$ 3.83
1987	55,217,514	3.91
1986	60,267,692	4.30
1985	59,621,088	4.29
1984	52,369,090	3.81

‡ Adjusted to reflect stock split.

Income Account

Year ended Jan. 31	1988	1987
Revenues	$ 500,414,005	$ 452,299,585
Cost of sales	361,140,885	330,892,768
Expenses	113,975,543	100,991,264
Depreciation & amortization	8,578,387	7,666,996
Interest expense	6,468,175	5,913,523
Income before taxes	$ 10,251,016	$ 6,835,034
Income taxes	4,308,982	2,737,020
Net Income	$ 5,942,034	$ 4,098,014

Assets

As of Jan. 31	1988	1987
Cash	$ 23,764,448	$ 25,603,879
Accts. receiv., net	9,531,271	8,117,051
Prepaid expense	65,681,607	64,102,282
Refundable taxes	2,980,325	3,088,152
Current Assets	$ 101,957,651	$ 100,911,364
#Fixed assets	58,080,272	57,310,422
Defer. charges	5,079,831	5,429,056
Investments	909,811	7,003,596
Other assets	179,647	172,934
Total Assets	$ 166,207,212	$ 170,827,372

Liabilities

Note payable	$ 2,605,000	$ —
Long-term debt, curr.	2,961,948	2,568,164
Stock repurchase	110,740	5,263,186
Accts. payable	37,889,250	40,870,466
Accruals	6,292,322	5,117,420
Accrued payroll	3,637,148	3,082,607
Income taxes	3,078,736	1,429,092
Curr. Liabilities	$ 56,575,164	$ 58,330,935
Long-term debt	46,120,289	48,327,156
Oblig. under cap. leases	4,675,595	5,187,545
Deferred taxes	4,437,132	3,764,222
+Common stock	1,424,589	1,413,212
Add. paid-in capital	39,365,880	38,756,381
Retained earnings	25,721,185	22,396,122
Treasury stock	(11,912,622)	(7,348,201)
Total Liabilities & Shareholders' Equity	$ 166,207,212	$ 170,827,372

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	2.05	1.51
%Net Income to Sales	1.19	0.91
%Net Income to Equity	10.88	7.42
Sales to Inventories	7.62	7.06
Debt to Equity	1.03	1.02
Working Capital	$ 45,382,487	$ 42,580,429
Current Ratio	1.80	1.73
Shareholders' Equity	$ 54,999,032	$ 55,217,514

Federated Department Stores, Inc.

(Acquired by Campeau Corporation in May 1988)

7 West Seventh Street
Cincinnati, Ohio 45202
(513) 579-7000

Officers: Howard Goldfeder, chairman & chief executive officer; Allen I. Questrom, vice chairman; Will M. Storey, vice chairman; John W. Burden, III, vice chairman; Norman S. Matthews, president & chief operating officer; Thomas G. Cody, senior v.p.; Russell S. Davis, senior v.p.; Avner M. Porat, senior v.p.; Phyllis Sewell, senior v.p.; Daryl K. Mangan, senior v.p.; Jack Brown, v.p. & controller; Boris Auerbach, v.p. & secretary; Walter A. Couper, v.p.; Samuel E. Dyer, v.p.; H. Stewart Rose, v.p.; Paul P. Thiemann, v.p.; Marvin S. Traub, v.p.; Dennis J. Broderick, v.p.; James M. Leahy, sr. v.p. & treasurer.

Directors: Charlotte Beers, John W. Burden, III, Philip Caldwell, Robert A. Charpie, James L. Ferguson, Howard Goldfeder *, Howard W. Johnson, Reginald H. Jones, Daniel W. LeBlond *, Norman S. Matthews *, G. William Miller, Peter G. Peterson, Allen I. Questrom, Will M. Storey *, Marvin S. Traub, Kathryn D. Wriston *, Clifton R. Wharton, Jr..

* Member of the Executive Committee

Business Activities: Operates the following stores:

Abraham & Straus
(To be retained by Campeau Corporation)
420 Fulton Street
Brooklyn, New York 11202
(718) 802-8500
Stores: Garden City, Hempstead, Massapequa, Huntington, Manhasset, Smithhaven, Rego Park, White Plains, New York; Woodbridge, Monmouth, Paramus, Short Hills, New Jersey; King of Prussia, Willow Grove, Pennsylvania.

Bloomingdale's
(To be retained by Campeau Corporation)
1000 Third Avenue
New York, New York 10022
(212) 705-2000
Stores: Hackensack, Short Hills, New Jersey; Fresh Meadows, Manhasset, Garden City, White Plains, New York; Stamford, Connecticut; Chestnut Hill (2), Massachusetts; Tyson's Corner, Virginia; White Flint, Maryland; King of Prussia, Willow Grove, Pennsylvania; Miami, Florida; Washington D.C.; Dallas.

Bullock's/Bullock's Wilshire
(To be sold to R.H. Macy & Co., Inc.)
800 South Hope Street
Los Angeles, California 90014
(213) 612-5000
Stores: Del Amo, LaHabra, Lakewood, Palm Springs, Manhattan Beach, Pasadena, Santa Ana, Westwood, Wilshire, Northridge, Costa Mesa, Sherman Oaks, Woodland Hills, Mission Valley, West Covina, Century City, Newport Beach, La Jolla, Carlsbad, Mission Viejo, Beverly Center, Rolling Hills, Calif.; Scottsdale & Phoenix, Ariz.; Las Vegas, Nevada.

Burdines
(To be retained by Campeau Corporation)
22 East Flagler Street
Miami, Florida 33132
(305) 835-5151
Stores: Miami, West Dade County, Daytona Beach, Ft. Lauderdale, Hollywood, Miami Beach, Pompano Beach, Tampa, Sarasota, West Palm Beach, Westland (Hialeah), Cutler Ridge, Orlando, Altamonte, Clearwater, Boca Raton, Ft. Meyers, Plantation, St. Petersburg, Florida. Furniture Clearance Centers: Ft. Lauderdale & Miami, Florida.

The Children's Place
(To be sold by Campeau Corporation)
25 Riverside Drive
Pine Brook, New Jersey 07058
(201) 227-8900
Operates 162 children's specialty stores, and 28 women's accessories stores under the The Accessory Place name, in 30 states.

Filene's
(To be sold to The May Department Stores Company)
426 Washington Street
Boston, Massachusetts 02101
(617) 357-2978
Stores: Belmont, Braintree (South Shore), Burlington, Chestnut Hill, Hyannis, Natick, Peabody (North Shore), Wellesley, Worcester, Mass.; Warwick, Rhode Island; Manchester, New Hampshire; Portland, Maine; Waterford, Connecticut; Albany, New York.

Filene's Basement
(To be sold to the management of Filene's Basement and other investors)
40 Walnut Street
Wellesley, Massachusetts 02181
(617) 239-9000
Operates 22 off-price retail stores in seven eastern states.

Foley's
(To be sold to The May Department Stores Company)
1110 Main Street
Houston, Texas 77001
(713) 651-7038
Stores: Almeda Mall, Northwest Mall, Pasadena, Greenspoint, Sharpstown, Houston (Warehouse Store), Willowbrook, West Oaks Mall (Houston), North Star (San Antonio), San Jacinto (Baytown), Memorial, Highland Mall, Barton Creek (Austin), Dallas/Ft. Worth, Tyler, Texas; Oklahoma City, Tulsa, Oklahoma; Albuquerque, New Mexico.

Goldsmith's
(To be retained by Campeau Corporation)
123 South Main Street
Memphis, Tennessee 38143
(901) 529-4565
Stores: Oak Court, Southland Mall, Raleigh Springs, Hickory Ridge, Jackson, Tennessee.

Gold Circle Discount Stores
(To be sold to the Kimco Development Corporation)
6121 Huntley Road
Worthington, Ohio 43085
(614) 438-4141
Stores: Columbus, (6); Dayton, (3); Cleveland, (8); Springfield, Canton, (2); Cincinnati, (4); Akron, Ohio (5); Rochester (4); Buffalo, New York (7); Lexington, Kentucky; Florence, Kentucky; Parma, Massillon, Kent, Ohio; Tennessee, Florida, Georgia, North Carolina, South Carolina.

I. Magnin
(To be sold to R. H. Macy & Co., Inc.)
135 Stockton Street
San Francisco, California 94108
(415) 362-2100
Stores: Beverly Hills, Carmel, Del Amo (Torrance), La Jolla, Los Angeles, Oakland, Palm Springs, Palo Alto, Pasadena, San Fernando Valley (Sherman Oaks), San Mateo, Santa Ana, Santa Barbara, Costa Mesa, San Jose, Santa Clara and Walnut Creek, California; Phoenix, Arizona; Portland, Oregon; Seattle, Washington; Chicago (3), Illinois; White Flint (North Bethesda) Maryland.

MainStreet
(To be sold by Campeau Corporation)
2345 North Waukegan Road
Suite 300
Bannockburn, Illinois 60015
(312) 948-1600
Operates 20 stores in the Chicago, Illinois, and Detroit, Michigan Metropolitan areas.

Ralphs
(To be sold by Campeau Corporation)
P. O. Box 54143
Los Angeles, California 90054
(213) 637-1101
Operates 129 Giant stores and other supermarkets plus attendant manufacturing and distribution facilities, in California.

Rich's
(To be retained by Campeau Corporation)
45 Broad Street S.W.
Atlanta, Georgia 30302
(404) 586-4200
Stores: Lenox Square, Belvedere, Cobb Center, North DeKalb, Greenbriar, South DeKalb, Perimeter Mall, Shannon Mall, Outlet Home Store, Cumberland Mall, South Lake Mall, Atlanta, Augusta Mall, Augusta, Ga.; Brookwood Village & Century Plaza, Birmingham, Ala.; Columbia Mall, Columbia, Haywood Mall, Greenville, S.C.

Lazarus
(To be retained by Campeau Corporation)
Seventh & Race Streets
Cincinnati, Ohio 45202
(513) 369-7000
Stores: Kenwood Mall, Beechmont Mall, Tri-County, Dayton Mall, Kettering, Salem, Springfield, Western Wood, Louisville (2), Florence & Lexington, Kentucky; Dayton, Eastland, Kingsdale, Northland, Westland, Home Store East, Capri Shops (3), Lima, Richland (Mansfield), Ohio; Castleton, Indianapolis, Evansville, Indiana; Huntington, West Virginia.

Transfer Agent(s):

Manufacturers Hanover Trust Company
P. O. Box 24935
Church Street Station
New York, New York 10249

The First National Bank of Chicago
One First National Plaza Suite 0123
Chicago, Illinois 60670

Stock Exchange(s): New York, Cincinnati, Pacific, Philadelphia, Midwest

Ticker Symbol: FDS

Number of Stores:* (at fiscal year end)

1987	675	1984	589
1986	631	1983	551
1985	604		

* Department and Specialty Stores.

Sales & Earnings

	Net Sales ‡ ('000's)	Net Income † ('000's)
1987	$ 11,117,840	$ 312,982
1986	10,512,425	287,600
1985	9,978,027	286,626
1984	9,672,300	329,300
1983	8,689,600	338,300

	No. of Com. Shares #	Earn. per Share #
1987	92,100,000	$ 3.40
1986	96,900,000	2.97
1985	97,600,000	2.94
1984	97,300,000	3.38
1983	97,200,000	3.48

‡ Includes leased department sales.
† Including extraordinary loss of $14,341,000 ($0.15 per share) in 1986.
# Based on the average number of shares outstanding adjusted to reflect stock split.

Revenues by Line of Business

	1987 ('000's)	%	1986 ('000's)	%
Department stores	$7,290,800	65.6%	$6,974,300	66.3%
Mass merch.	978,000	8.8	969,200	9.2
Supermarkets	2,251,200	20.2	2,045,700	19.5
Other	597,800	5.4	523,200	5.0
Total	$11,117,800	100 %	$10,512,400	100 %

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1987	$ 1.48	—	—
1986	1.34	—	2-for-1
1985	1.27	—	—
1984	1.20	—	—
1983	1.10	—	—

+ Adjusted to reflect stock split.

Federated Department Stores, Inc.

Common Stock Equity

	Total Equity (000's)	Equity Per Share ‡
1987	$ 2,629,100	$ 28.55
1986	2,662,600	27.48
1985	2,707,300	27.74
1984	2,544,100	26.15
1983	2,333,400	24.01

‡ Based on the average number of shares outstanding adjusted to reflect stock split.

Income Account * (000's)

Year ended	1/30/88	1/31/87
Net sales	$ 11,117,840	$ 10,512,425
Cost of sales	8,191,571	7,698,628
Expenses	2,252,902	2,103,315
Prov. for doubtful accts.	45,900	50,558
Interest expense	104,609	79,801
Unusual items	(7,124)	13,082
Income before taxes	$ 529,982	$ 567,041
Income taxes	217,000	265,100
Net Income	$ 312,982	$ 301,941
Extraord. loss	—	(14,341)
Net Income & extraord. loss	$ 312,982	$ 287,600

* Included in Costs and Expenses, Depreciation and Amortization: $280,916,000 in 1987 and $255,577,000 in 1986.

Assets (000's)

As of	1/30/88	1/31/87
Cash	$ 93,217	$ 101,097
Accts. receiv., net	1,547,843	1,554,402
* Inventories	1,543,264	1,405,992
Prepaid expenses & supplies	66,219	42,508
Current Assets	$ 3,250,543	$ 3,103,999
# Fixed assets	2,648,746	2,451,629
Other assets	109,428	132,110
Total Assets	$ 6,008,717	$ 5,687,738

Liabilities (000's)

Notes payable & long-term debt, curr.	$ 399,646	$ 240,053
Accts. payable & accruals	1,297,061	1,249,149
Income taxes	106,715	119,149
Curr. Liabilities	$ 1,803,422	$ 1,608,351
Long-term debt	956,619	791,901
Deferred compensation	238,968	204,890
Deferred inc. taxes	380,641	420,042
+ Common stock	112,516	118,876
Add. paid-in capital	—	25,597
Retained earnings	2,525,876	2,538,612
Treasury stock	(9,325)	(20,531)
Total Liabilities & Shareholders' Equity	$ 6,008,717	$ 5,687,738

* At LIFO which is lower than market.
# Less accumulated depreciation.
+ $1.25 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.77	5.39
%Net Income to Sales	2.82	2.87
%Net Income to Equity	11.90	11.34
Sales to Inventories	7.20	7.48
Debt to Equity	0.52	0.39
Working Capital	$ 1,447,121,000	$ 1,495,648,000
Current Ratio	1.80	1.93
Shareholders' Equity	$ 2,629,067,000	$ 2,662,554,000

Federated Purchaser, Inc.

50 Lafayette Place
Kenilworth, New Jersey 07033
(201) 272-0505

825 Union Blvd.
Allentown, Pennsylvania 18103
(215) 437-4481

Officers: Arthur C. Kammerman, chairman; Harry J. Fallon, president; Steven J. Jordan, vice president-sales & marketing; Jane A. Christy, v.p.-operations; Marie Santasiri, secretary; William Hall, treasurer.

Directors: Arthur C. Kammerman, chairman; Edmund L. Hoener, Harry J. Fallon, John Rudder.

Business Activities: Engaged in the marketing of electronic parts, components and equipment to industrial and retail customers. To its industrial customer the company sells a broad range of products including semi-conductors, wire, cable connectors, transformers, relay systems, capacitors and electronic tubes. The principal products marketed by the company to retail customers are home entertainment equipment including stereo systems, tape recorders, speakers, radios and related accessories. The company markets its retail products through two stores located in Kenilworth, New Jersey and Allentown, Pennsylvania. Industrial products are marketed directly by Federated's sales personnel from both locations and in the field.

Transfer Agent(s):

The National State Bank
Elizabeth, New Jersey

Stock Exchange(s): Over-the-Counter

Ticker Symbol: EFDP (NASDAQ)

Number of Stores: (at fiscal year end)

1987	2	1985	2
1986	2	1984	2

Sales & Earnings

	Net Sales	Net Income
1987	$ 5,625,766	$ (28,086)
1986	5,864,255	110,963
1985	6,970,733	216,296
1984	7,305,216	281,654
1983	6,318,917	229,286

	No. of Com. Shares +	Earn. per Share +
1987	1,629,535	$ —
1986	1,720,385	0.06
1985	1,720,053	0.13
1984	1,715,906	0.16
1983	1,709,926	0.13

(Loss)
+ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1987	$ 0.03	—	—
1986	0.06	—	—
1985	0.06	—	5-for-4
1984	0.06	—	—
1983	0.06	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share +
1987	$ 2,199,943	$ 1.35
1986	2,330,901	1.35
1985	2,342,963	1.36
1984	2,227,764	1.30
1983	2,063,695	1.21

+ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Income Account

Year ended October 31	1987	1986
Net sales	$ 5,625,766	$ 5,864,255
Cost of sales	4,313,296	4,411,223
Expenses	1,341,963	1,303,172
Depreciation	70,113	60,402
Other income	(49,879)	(63,705)
Income (loss) before taxes	$ (49,727)	$ 153,163
Income taxes (credit)	(21,640)	42,200
Net Income (Loss)	$ (28,087)	$ 110,963

Assets

As of October 31	1987	1986
Cash	$ 203,507	$ 44,433
Cert. of deposit	600,000	950,000
Accts. receiv., net	953,611	683,603
*Inventories	655,421	660,770
Prepaid expenses	43,432	54,867
Current Assets	$ 2,455,971	$ 2,393,673
#Fixed assets	150,768	200,018
Other assets	28,100	34,100
Total Assets	$ 2,634,839	$ 2,627,791

Liabilities

Accts. payable	$ 354,419	$ 193,916
Accruals	76,387	94,974
Curr. Liabilities	$ 430,806	$ 288,890
Deferred income taxes	4,090	8,000
+Common stock	171,976	171,976
Add. paid-in capital	1,651,528	1,651,795
Retained earning	453,724	530,670
Treasury stock	(77,285)	(23,540)
Total Liabilities & Shareholders' Equity	$ 2,634,839	$ 2,627,791

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	2.61
%Net Income to Sales	—	1.89
%Net Income to Equity	—	4.76
Sales to Inventories	8.58	8.87
Working Capital	$ 2,025,165	$ 2,104,783
Current Ratio	3.36	8.29
Shareholders' Equity	$ 2,199,943	$ 2,330,901

Feltex International Limited

(49.87% owned by Equiticorp Industries Limited)

Feltex Centre
145 Symonds Street
Auckland, New Zealand
(09) 778-900

Mailing address:
P.O. Box 4278
Auckland, New Zealand

Officers: C. M. Eustace, general mgr.-Australian carpets; R. M. Tauroa, general mgr.-services; C. P. Glasson, president-Allsteel Inc.; A. St. J. Mitchell, general mgr.-Smith & Brown; B. G. Taylor, general mgr.-Commercial Interiors Group; R. A. Baldwin, general mgr.-Wool Group; B. C. Turley, general mgr.-Carpets Group; J. H. Burridge, general mgr.-Feltex Modular Carpets; C. B. Young, general mgr.-Plastics & Timber Group; L. J. McGillivray, general mgr.-development; J. C. Lindsay, managing director; N. J. Vautier, secretary; R. A. Pearson, general mgr.-finance; B. Wright, general mgr.-international.

Directors: P. J. D. Stanes, chairman; L. W. Brown, deputy chairman; J. H. Ingram, I. L. Gunthorp, W. B. Capp, P. J. D. Stanes, J. C. Lindsay.

Business Activities: The Company's New Zealand Retail Group operates 49 Smith & Brown stores in New Zealand. These stores sell furniture, home appliances and furnishings at retail.

The Company's New Zealand Wool Group manufactures and markets worsted machine knitting yarns, worsted and woollen spun hand knitting yarns, all wool, cotton, and other mixtures, semi-worsted, wrap spun and woollen spun carpet yarns, woollen mattress underlays, domestic and industrial elastics, tapes and webbings, and buys and scours wool.

The New Zealand Carpets Group manufactures and markets axminster, wilton and tufted carpets, carpet yarns and rugs; moulded automotive carpet, carpet tiles, underlays and synthetic paddings; outdoor carpet and sport surfaces, rubber underlay, rubber floor tiles, moulded and extruded industrial and agricultural componentry.

Vita New Zealand Limited, a subsidiary, manufactures and markets products made from foam, fiber and styrene for both industrial and consumer markets.

The Company's Australia Modular Carpets Group manufactures and markets modular carpet squares using a unique system of computer-controlled dye injection.

Other Company groups manufacture and market commercial and systems furniture in Australia, the U.S.A. and Canada, office and retail furniture, and a range of plastic products.

Operating Units:

New Zealand Retail Group

Smith & Brown
Auckland, New Zealand

Wool Group

Feltex Wool Group Limited
Corner of Khyber Pass & Mountain Roads
P.O. Box 6524
Auckland, New Zealand
(09) 795-605

Feltex Woods
Kaiaritki, New Zealand

New Zealand Wool Spinners Limited
Dannevirke, New Zealand

Feltex Yarns
Wainuiomata, Wellington, New Zealand

Thordyed Yarns
Auckland, New Zealand

Feltex Industrial Textiles
Auckland, New Zealand

Slumberwool
Auckland, New Zealand
Melbourne, Victoria, Australia
San Francisco, California, U.S.A.

Carpets Group

Feltex Furnishings of New Zealand Limited
Corner of Khyber Pass & Mountain Roads
P.O. Box 2874
Auckland, New Zealand
(09) 795-522

Feltex Carpets Pty. Limited
Melbourne, Australia

Feltex Contract Carpets
Auckland, New Zealand

Feltex Woven Carpets
Christchurch, New Zealand

Colortron Carpets
Auckland, New Zealand

Feltex Carpet Sales
Auckland, New Zealand

Stevens Bremner Sales
Auckland, New Zealand

Fibreloft Industries
Lower Hutt & Auckland, New Zealand

Quantum Carpet Systems Limited
Auckland, New Zealand

Modular Carpets Group

Feltex Modular Carpets Pty. Limited
171 Briens Road
Northmead 2152
Sydney, NSW, Australia
(00612)6835600
Sales Offices:
Victoria, Australia
Auckland, New Zealand
Wellington, New Zealand

Associated Company:

Vita New Zealand Limited
Auckland, New Zealand
(09) 885-169

Subsidiaries (U.S.A.):

Allsteel Inc.
Allsteel Drive
Aurora, Illinois 60507
(312) 859-2600
Manufactures and markets commercial and systems furniture throughout the U.S. and Canada.

Super Sky International Inc.
10301 North Enterprise Drive
Mequon, Wisconsin 53092
(414) 242-2000
Designs, fabricates and installs architectural glass roofing systems in North America, Europe and Asia, primarily for commercial applications.

Sales & Earnings x

	Net Sales	Net Income †
1987	$ 661,596,000	$ 74,737,000
1986	623,176,000	47,318,000
1985	574,035,000	28,957,000
1984	487,716,000	19,843,000
1983	478,591,000	18,684,000

	No. of Com. Shares #	Earn. per Share ‡
1987	148,471,000	$ 0.52
1986	129,292,000	0.48
1985	N.A.	0.37
1984	N.A.	0.24
1983	N.A.	0.22

N.A. - Not Available.
x Figures are stated in New Zealand dollars.
† Before extraordinary items.
# Adjusted to reflect stock split.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1987	$ 14.0	—	—
1986	14.0	—	9-for-8
1985	12.5	—	6-for-5
1984	12.5	—	—
1983	11.5	—	—

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	$ 514,901,000	$ 3.47
1986	353,731,000	2.74
1985	213,738,000	—
1984	181,619,000	—
1983	167,884,000	—

‡ Adjusted to reflect stock splits.

Income Account *
(000's)

Year ended June 30	1987	1986
Net sales	$ 661,596	$ 623,176
Cost of sales & expenses	589,795	580,595
Income before taxes	$ 71,801	$ 42,581
Tax credit	(3,097)	(4,389)
Minority interest	161	(348)
Net Income	$ 74,737	$ 47,318
Extraord. items	(411)	2,354
Unreal. increase in value of assoc. co.	—	7,223
Net Income & extraord. gain	$ 74,326	$ 56,895

* Included in Costs and Expenses, Depreciation and Amortization: $13,078,000 in 1987 and $10,495,000 in 1986.

Assets
(000's)

As of June 30	1987	1986
Cash	8,941	14,838
Accts. recev., net	158,926	119,011
Refundable taxes	24,612	19,957
*Inventories	181,117	154,520
Current Assets	$ 373,596	$ 308,326
Investments, advances & term recev.	412,162	241,161
Future tax benefit	4,606	6,464
#Fixed assets	162,754	145,050
Intangibles	111,080	—
Total Assets	$ 1,064,198	$ 701,001

Liabilities
(000's)

Bank overdrafts	$ 39,661	$ 41,410
Accts. payable	150,817	139,948
Prov. for dividend	1,938	11,756
Curr. Liabilities	$ 192,416	$ 193,114
Subord. debt	43,912	—
Term liabilities	310,901	152,499
Minority interest	2,068	1,657
+Specified preference stock	9,424	10,528
++Cumulative preference stock	149	149
+++Common stock	74,024	64,646
Capital reserves	333,673	212,120
Revenue reserves	97,631	66,288
Total Liabilities & Shareholders' Equity	$ 1,064,198	$ 701,001

* At lower of cost (weighted average or FIFO) or net realizable value.
# Less accumulated depreciation.
+ $1.25 par value; 16% redeemable cumulative.
++ $1.00 par value; 5% cumulative.
+++ $0.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	10.85	6.83
%Net Income to Sales	11.30	7.59
%Net Income to Equity	14.51	13.38
Sales to Inventories	3.65	4.03
Debt to Equity	0.09	—
Working Capital	$ 381,180,000	$ 115,212,000
Current Ratio	1.94	1.60
Shareholders' Equity	$ 514,901,000	$ 353,731,000

The Firestone Tire & Rubber Company

Boulevard Towers South
205 North Michigan Avenue, Suite 3800
Chicago, Illinois 60601-5965
(312) 819-0001

Officers: John J. Nevin, chairman of the board & chief exec. officer; Albert E. Suter, president & chief operating officer; Jay H. Rosenson, vice chairman of the board; J. Robert Anderson, sr. v.p. & chief financial officer; George W. Aucott, exec. v.p.-mfg. operations; James H. Bolender, v.p. & controller; Laurance T. Burden, v.p.-management information services; Thomas M. Forman, v.p. & general counsel; Roy H. Gilbert, v.p. & treasurer; Donald L. Groninger, v.p.-human resources; David L. King, v.p.-World Tire operations; Terry J. Renninger, v.p.-World Tire operations; James R. Thomas, v.p.-World Tire operations; Michael A. Wolf, v.p.-World Tire operations; Paul H. Heise, v.p.-automotive service and car rental operations; John E. Rooney, v.p.-automotive service and car rental operations; Benjamin G. Aramons, v.p.-diversified products operations; Randall D. Luke, v.p. & secretary; A. Mosby Harvey, Jr., asst. secretary; David A. Thomas, asst. secretary; Jerry C. Zeman, asst. secretary; T. Jane Uhall, asst. secretary; Peter W. Chehayl, asst. treasurer; Donald B. Hutchins, asst. controller; Dallas E. Stiles, asst. controller; Scott H. McKean, asst. controller; Philip R. Morrison, asst. controller.

Directors: John J. Nevin*, chairman; Jay H. Rosenson, Kimball C. Firestone*, William G. Phillips*, Paul A. Vatter*, J. Robert Anderson, Lois D. Rice, Raymond C. Tower, Thomas C. Page, George W. Aucott, Charles Marshall, John A. Meyers, Albert E. Suter*.

* Member of the Executive Committee

Business Activities: The Company operates 1,500 retail stores which sell tires and related products and services throughout the United States.

Transfer Agent(s):

Manufacturers Hanover Trust Company
Stock Transfer Department
P.O. Box 24935
Church Street Station
New York, New York 10249

Stock Exchange(s): New York, Midwest, Pacific

Ticker Symbol: FIR

Number of Stores: (at fiscal year end)

1987	1,500	1984	1,500
1986	1,400	1983	1,500
1985	1,500		

Sales & Earnings

	Net Sales + ($000's)	Net Income ‡ ($000's)
1987	$ 3,867,000	$ 145,000
1986	3,501,000	85,300
1985	3,602,000	3,000
1984	3,758,000	102,000
1983	3,516,000	111,000

	No. of Com. Shares	Earn. per Share ‡
1987	34,964,000	$ 3.96
1986	39,052,000	2.16
1985	41,092,000	0.06
1984	43,392,273	2.27
1983	48,429,503	2.26

+ Of continuing operations only.
‡ Including extraordinary tax credits of $22,001,000 ($0.60 per share) in 1986, $9,000,000 ($0.20 per share) in 1985, $13,000,000 ($0.29 per share) in 1984 and $11,000,000 ($0.23 per share) in 1983.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	$ 1.55	—	—
1986	0.80	—	—
1985	0.80	—	—
1984	0.80	—	—
1983	0.60	—	—

Common Stock Equity

	Total Equity ($000's)	Equity Per Share
1987	$ 1,179,000	$ 33.72
1986	1,167,000	29.87
1985	1,163,000	28.31
1984	1,236,000	28.50
1983	1,291,000	26.66

Income Account *
($000's)

Year ended Oct. 31	1987	1986
Net sales	$ 3,867,000	$ 3,501,000
Cost of sales	2,979,000	2,711,000
Expenses	690,000	664,000
Prov. for restructuring	18,000	89,000
For. curr. trans.	(39,000)	(1,000)
Interest expense	43,000	37,000
Interest income	(21,000)	(14,000)
Other income	(6,000)	(22,000)
Inc. bef. taxes	$ 203,000	$ 37,000
Income taxes	100,000	34,000
Inc. - cont. oper.	$ 103,000	$ 3,000
Inc. - discont. oper.	20,000	16,000
Net income	$ 123,000	$ 19,000
Extraordinary credit	22,000	—
Cum. effect of change in pension acctg.	—	66,000
Net income & extraord. credit	$ 145,000	$ 85,000

* Included in Costs and Expenses, Depreciation: $154,000,000 in 1987 and $136,000,000 in 1986.

Assets
($000's)

As of Oct. 31	1987	1986
Cash & short-term invest.	$ 183,000	$ 175,000
Accts. receiv., net	659,000	582,000
*Inventories	482,000	468,000
Prepaid expenses	115,000	71,000
Current Assets	$ 1,439,000	$ 1,296,000
Investments	26,000	35,000
#Fixed assets	1,191,000	1,119,000
Other assets	265,000	143,000
Total Assets	$ 2,921,000	$ 2,593,000

Liabilities
($000's)

Loan payable	$ 162,000	$ 13,000
Long-term debt, cu.	18,000	15,000
Accts. payable	375,000	336,000
Accrued comp.	239,000	202,000
Taxes	138,000	106,000
Other accruals	245,000	172,000
Curr. Liabilities	$ 1,177,000	$ 844,000
Long-term debt	249,000	285,000
Pension & other liab.	183,000	155,000
Minority interest	22,000	27,000
Deferred inc. from sales & leaseback	57,000	66,000
Deferred inc. taxes	54,000	49,000
+Common stock	63,000	63,000
Add. paid-in capital	175,000	180,000
Retained earnings	1,518,000	1,418,000
Foreign curr. trans	(79,000)	(128,000)
Treasury stock	(498,000)	(366,000)
Total Liabilities & Shareholders' Equity	$ 2,921,000	$ 2,593,000

* At lower of cost or market. Domestic inventories at LIFO; all other at FIFO or average cost.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Net Income to Equity	10.43	1.63
Sales to Inventories	8.02	7.48
Debt to Equity	0.36	0.27
Working Capital	$ 262,000,000	$ 452,000,000
Current Ratio	1.22	1.54
Shareholders' Equity	$ 1,179,000,000	$ 1,167,000,000

Fisher Foods, Inc.

5300 Richmond Road
Bedford Heights, Ohio 44146
(216) 292-7000

Mailing address:
P.O. Box 46355
Cleveland, Ohio 44146

Officers: Brian K. Garson, president & chief operating officer; Robert H. Kanner, secretary & treasurer.

Directors: Brian K. Garson, S. Lee Kohrman, Robert H. Kanner.

Business Activities: The company is a food wholesaler under 'Heritage Wholesaler' name, and a retailer operating 42 supermarkets under the 'Fazio's,' 'Carl's' and 'Rinilrego Stop-N-Shop' names in Ohio. The company also operates Eagle Ice Cream Company.

Divisions and Subsidiaries:

Fazio's
5300 Richmond Road
Bedford Heights, Ohio 44146
(216) 292-7000
Operates 42 food supermarkets in northern Ohio.

Eagle Ice Cream Company
90 Broadway
Bedford Heights, Ohio 44146
Package ice cream and ice cream products.

Heritage Wholesalers
5300 Richmond Road
Bedford Heights, Ohio 44146
(216) 292-7227
Wholesale supplier of groceries, fresh meat & produce, dairy, frozen foods & general merchandise.

Transfer Agent(s):

National City Bank
Corporate Trust Department
P.O. Box 92301
Cleveland, Ohio 44101

Stock Exchange(s): New York

Ticker Symbol: FHR

Number of Stores:* (at fiscal year end)

1987	42	1984	49
1986	62	1983	50
1985	58		

* Supermarkets only.

Sales & Earnings

	Net Sales	Net Income †
1987	$ 487,303,000	$ (27,408,000)
1986*	589,583,000	(1,949,000)
1985	494,804,000	2,279,000
1984	503,477,000	(5,464,000)
1983	506,420,000	509,000

	No. of Com. Shares	Earn. per Share ‡ †
1987	3,536,903	$ —
1986*	3,526,528	—
1985	4,186,903	0.47
1984	4,988,808	—
1983	4,970,308	0.08

(Loss)
* 53 weeks
‡ Based on the average number of common shares outstanding.
† Including extraordinary gains of $1,107,000 ($0.24 per share) in 1985 and $201,000 ($0.04 per share) in 1983.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	$ —	—	—
1986	0.05	—	—
1985	0.05	—	—
1984	0.05	—	—

Common Stock Equity

	Total Equity ‡	Equity Per Share
1987	$ 21,016,000	$ 5.97
1986	48,202,000	13.69
1985	61,516,000	14.71
1984	68,657,000	13.78
1983	74,092,000	14.93

‡ After allowing for preferred stock at redemption value of $105 per share.

Income Account * (000's)

Year ended	1/2/88	1/3/87
Net sales	$ 487,303	589,583
Cost of sales	387,674	470,874
Expenses	107,578	118,675
Interest expense	4,160	3,850
Other income	(1,292)	(1,867)
Special charges	16,591	—
Net Loss	$ (27,408)	$ (1,949)

* Included in Cost and Expenses, Depreciation and Amortization: $8,525,000 in 1987 and $8,351,000 in 1986.

Assets (000's)

As of	1/2/88	1/3/87
Cash	$ 3,497	$ 14,171
Accts. receiv., net	3,605	5,829
*Inventories	26,081	38,806
Prepaid expenses	3,871	4,943
Deferred income taxes	—	3,062
Current Assets	$ 37,054	$ 66,811
Investment & other assets	3,502	2,361
#Fixed assets	64,522	76,657
Total Assets	$ 105,078	$ 145,829

Liabilities (000's)

Notes payable	$ —	$ 8,000
Long-term debt, curr.	2,110	1,013
Oblig. under capital leases, curr.	1,011	1,022
Accts payable	15,911	20,484
Accruals	9,001	10,626
Income taxes	3,191	3,801
Clos. facil. reserve	3,069	751
Litig. settle. res., curr.	965	1,445
Curr. Liabilities	$ 35,258	$ 47,142
Litig. settle. reserve	2,449	3,181
Long-term debt	22,040	24,088
Oblig. under capital leases	14,506	15,598
Other liabilities	7,222	1,955
Deferred inc. taxes	686	3,762
+Preferred stock	1,811	1,811
++Common stock	3,537	3,527
Add. paid-in capital	818	764
Retained earnings	16,963	44,462
Treasury stock	(212)	(461)
Total Liabilities & Shareholders' Equity	$ 105,078	$ 145,829

* At lower of cost (primarily LIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value, $5 cumulative.
++ No par value.

Statistical Summary

Sales to Inventories	18.68	15.19
Debt to Equity	1.73	0.99
Working Capital	$ 1,796,000	$ 19,669,000
Current Ratio	1.05	1.42
Shareholders' Equity	$ 22,917,000	$ 90,103,000

Food Lion Stores, Inc.

Harrison Road
P.O. Box 1330
Salisbury, North Carolina 28145-1330
(704) 633-8250

Officers: Ralph W. Ketner, chairman of the board; Tom E. Smith, president & chief executive officer; Jerry W. Helms, senior v.p. & chief operating officer; Allyn D. Adams, v.p.-meat operations; A. Edward Benner, Jr., v.p.-management information systems; James H. Goodwin, Jr., v.p.-distribution & purchasing; Kenneth Harris, v.p.-perishable operations; Robert R. McAuliffe, Jr., v.p.-real estate; Spencer D. Stone, v.p.-store planning & development; Vincent G. Watkins, v.p.-special projects & development; Eugene R. McKinley, v.p.-human resources & asst. secretary; Thomas R. Crabtree, v.p.-advertising; George S. Seger, v.p.-loss prevention; Brian P. Woolf, v.p.-finance, secretary & chief financial officer; Dan A. Boone, treasurer & asst. secretary; Charles C. Buckley, v.p.-grocery operations.

Directors: Ralph W. Ketner, chairman; Tom E. Smith, Guy Beckers, Jacques LeClercq, Gui de Vaucleroy, David E. Johnston, Brian P. Woolf, Jerry W. Helms, Charles de Cooman d'Herlickhove, Raymond-Max Boon.

Business Activities: Operates a chain of supermarkets in South Carolina, Georgia, Virginia, Maryland, Tennessee, Delaware, Florida, and North Carolina under the name Food Lion.

Transfer Agent(s):

Citizens & Southern National Bank
P.O. Box 105555
Atlanta, Georgia 30348

Stock Exchange(s): Over-the-Counter

Ticker Symbol: FDLNA, FDLNB (NASDAQ)

Number of Stores: (at fiscal year end)

1987	475	1984	251
1986	388	1983	226
1985	317		

Sales & Earnings

	Net Sales	Net Income
1987	$ 2,953,807,000	$ 85,802,000
1986*	2,406,582,000	61,823,000
1985	1,865,632,000	47,585,000
1984	1,469,564,000	37,305,000
1983	1,172,459,430	27,717,761

	No. of Com. Shares #	Earn. per Share #
1987	312,435,000	$ 0.27
1986*	320,234,000	0.19
1985	318,771,000	0.15
1984	315,462,000	0.12
1983	314,221,000	0.09

* 53 weeks.
# Based on the weighted average number of shares outstanding adjusted to reflect stock splits and stock recapitalization.

Common Stock

	Cash Dividend †	Stock Dividend	Stock Split
1987	$ 0.038	—	2-for-1
1986	0.018	—	3-for-1
1985	0.014	—	—
1984	0.010	—	—
1983	0.008	—	—

† Adjusted to reflect stock splits and stock recapitalization.

Common Stock Equity

	Total Equity	Equity Per Share #
1987	$ 339,224,000	$ 1.06
1986	264,864,000	0.83
1985	207,379,000	0.65
1984	163,420,000	0.52
1983	123,633,999	0.39

Based on the weighted average number of shares outstanding adjusted to reflect stock splits and stock recapitalization.

Income Account

Year ended	1/2/88	1/3/87 (53 weeks)
Net sales	$ 2,953,807,000	$ 2,406,582,000
Cost of sales	2,385,329,000	1,948,775,000
Expenses	366,583,000	296,077,000
Depreciation & amortization	37,433,000	29,585,000
Interest expense	13,760,000	9,222,000
Income before taxes	$ 150,702,000	$ 122,923,000
Income taxes	64,900,000	61,100,000
Net Income	$ 85,802,000	$ 61,823,000

Assets

As of	1/2/88	1/3/87
Cash	$ 15,534,000	$ 22,024,000
Receiv., net	39,797,000	27,176,000
*Inventories	385,276,000	258,860,000
Prepaid expenses	3,311,000	3,343,000
Current Assets	$ 443,918,000	$ 311,403,000
#Fixed assets	361,895,000	293,484,000
Total Assets	$ 805,813,000	$ 604,887,000

Food Lion Stores, Inc.

Liabilities

Notes payable	$ 92,741,000	$ 51,164,000
Long-term debt, curr.	1,466,000	1,586,000
Accts. payable	140,271,000	106,394,000
Accruals	60,735,000	47,528,000
Income taxes	14,735,000	13,476,000
Cap. lease oblig., curr.	1,879,000	1,693,000
Curr. Liabilities	$ 315,827,000	$ 222,941,000
Long-term debt	51,695,000	50,857,000
Deferred income taxes	1,433,000	1,159,000
Oblig. under cap. lease	69,301,000	40,533,000
Deferred inc. taxes	28,333,000	24,533,000
+Class A common stock	81,023,000	40,421,000
+Class B common stock	79,829,000	39,834,000
Add. paid-in capital	96,000	466,000
Retained earnings	178,276,000	184,143,000
Total Liabilities & Shareholders' Equity	$ 805,813,000	$ 604,887,000

* At lower of cost (primarily LIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.05 par value.

Statistical Summary

%Income bef. Taxes to Sales	5.10	5.11
%Net Income to Sales	2.90	2.57
%Net Income to Equity	25.29	23.34
Sales to Inventories	7.67	9.30
Debt to Equity	0.64	0.55
Working Capital	$ 128,091,000	$ 88,462,000
Current Ratio	1.41	1.40
Shareholders' Equity	$ 339,224,000	$ 264,864,000

Foodarama Supermarkets, Inc.

303 West Main Street
P.O. Box 592
Freehold, New Jersey 07728
(201) 462-4700

Officers: Joseph J. Saker, chairman of the board & president; Sidney Cohen, sr. v.p.-administration, real estate & corp. planning & asst. secretary; Richard Saker, sr. v.p.-operations; John J. McAteer, sr. v.p.-human resources; Joseph C. Troilo, sr. v.p.-finance & asst. treasurer; Mary Saker, secretary & treasurer.

Directors: Joseph J. Saker*, chairman; Arthur M. Borden, Sidney Cohen*, John W. Hurley, Mary Saker*, Richard J. Saker*.

* Member of the Executive Committee

Business Activities: Operates Foodarama Supermarkets, under the Shop-Rite name, in New York, New Jersey, and Pennsylvania. Also operates two liquor stores, two garden centers, and in-store pharmacies, all under the Shop-Rite name.

Transfer Agent(s):

Harris Trust Company of New York
110 William Street
New York, New York 10038

Stock Exchange(s): American

Ticker Symbol: FSM

Number of Stores: (at fiscal year end)

1987	28	1984	30
1986	28	1983	31
1985	27		

Sales & Earnings

	Net Sales ‡	Net Income
1987	$ 482,088,000	$ 4,217,000
1986	471,886,000	1,681,000
1985	461,046,000	2,944,000
1984*	450,748,000	310,000
1983	439,971,000	155,000

	No. of Com. Shares #	Earn. per Share #
1987	1,294,411	$ 3.26
1986	1,341,489	1.25
1985	1,341,137	2.20
1984*	1,341,074	0.16
1983	1,341,277	0.12

* 53 weeks.
‡ Of continuing operations only.
# Based on the weighted average number of common shares outstanding during each year.

Common Stock Equity

	Total Equity	Equity Per Share +
1987	$ 28,328,000	$ 21.88
1986	26,916,000	20.06
1985	25,232,000	18.81
1984	22,288,000	16.62
1983	22,080,000	16.46

+ Based on the weighted average number of common shares outstanding during each year.

Income Account*

Year ended	10/31/87	11/1/86
Net sales	$ 482,088,000	$ 471,886,000
Cost of sales	366,618,000	362,986,000
Expenses	106,850,000	102,504,000
Oper. profit	$ 8,620,000	$ 6,396,000
Interest expense	1,794,000	2,907,000
Income before taxes	$ 6,826,000	$ 3,489,000
Income taxes	3,109,000	1,808,000
Change in accntg. meth.	(500,000)	—
Net Income	$ 4,217,000	$ 1,681,000

* Included in Costs and Expenses, Depreciation: $6,376,000 in 1987 and $5,726,000 in 1986.

Assets

As of	10/31/87	11/1/86
Cash	$ 3,573,000	$ 4,189,000
Short-term investments	10,091,000	6,878,000
Receiv., net	2,915,000	4,121,000
*Inventories	21,244,000	19,206,000
Current Assets	$ 37,823,000	$ 34,394,000
Investments	4,699,000	4,888,000
Receivables	1,277,000	610,000
#Fixed assets	48,116,000	43,065,000
Intangibles	2,153,000	2,153,000
Total Assets	$ 94,068,000	$ 85,110,000

Liabilities

Notes payable	$ —	$ 4,000,000
Long-term debt, curr.	2,290,000	2,662,000
Cap. lease debt	2,826,000	2,546,000
Accts. payable	20,944,000	24,138,000
Accruals	8,225,000	7,903,000
Income taxes	636,000	518,000
Curr. Liabilities	$ 34,921,000	$ 41,767,000
Long-term debt	9,553,000	4,602,000
Cap. lease oblig.	16,977,000	8,826,000
Deferred inc. taxes	4,289,000	2,999,000
+Common stock	1,622,000	1,622,000
Add. paid-in capital	2,351,000	2,350,000
Retained earnings	28,935,000	24,718,000
Treasury stock	(4,580,000)	(1,774,000)
Total Liabilities & Shareholders' Equity	$ 94,068,000	$ 85,110,000

* At lower of cost (FIFO) or market.
# Accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	1.42	0.74
%Net Income to Sales	0.87	0.36
%Net Income to Equity	14.89	6.25
Sales to Inventories	22.69	24.57
Debt to Equity	1.12	0.84
Working Capital	$ 2,902,000	—
Current Ratio	1.08	—
Shareholders' Equity	$ 28,328,000	$ 26,916,000

Fred Meyer, Inc.

3800 S.E. 22nd Avenue
Portland, Oregon 97202
(503) 232-8844

Officers: Frederick M. Stevens, chairman of the board & chief exec. officer; Oran B. Robertson, chairman-exec. committee; Jerome Kohlberg, Jr., vice chairman; Cyril K. Green, president & chief operating officer; C. Dale Warman, exec. v.p. & pres.-Food Group; Kenneth Thrasher, v.p. & chief financial officer; Gary L. Baker, sr. v.p. & dir.-personnel; Gordon W. Deeds, sr. v.p. & division mgr.-Hardlines Divisions; Larry R. Ofstedahl, sr. v.p. & division mgr.-Food Division; Mary F. Sammons, sr. v.p. & division mgr.-Soft Goods Division; Edward A. Dayoob, v.p. & division mgr.-Jewelry Division; Julie A. Lamb, v.p. & division mgr.-Nutrition Centers Division; Marilyn G. Brown, v.p. & division mgr.-Restaurant Division; Michael H. Don, v.p. & treasurer; Thomas R. Hughes, v.p. & controller.

Directors: Frederick M. Stevens, chairman; Saul A. Fox, Jerome Kohlberg, Jr., Roger S. Meier, Michael W. Michelson, Paul E. Raether, Oran B. Robertson.

Areas of Work: Operates 91 multi-department stores and eight specialty stores in six western states under the name Fred Meyer. The Company's multi-department stores contain up to 11 departments, including general and consumer electronics, fine jewelry, nutrition, and either a restaurant or snack bar.

Transfer Agent(s):

U.S. National Bank of Oregon
309 W.W. 6th Avenue, 5th Floor
Portland, Oregon 97204

Stock Exchange(s): Over-the Counter

Ticker Symbol: MEYR (NASDAQ)

Number of Stores:

1988	99	1985	80
1987	93	1984	68
1986	93		

Sales & Earnings

	Net Sales ('000's)	Net Income † ('000's)
1987	$ 1,847,843	$ 32,036
1986	1,688,208	22,535
1985	1,583,796	19,467
1984	1,449,108	15,589
1983	1,213,992	14,793

	No. of Com. Shares ‡	Earn. per Share † ‡
1987	24,403,000	$ 1.31
1986	20,870,000	1.08
1985	18,355,000	1.06
1984	17,790,000	0.88
1983	17,139,000	0.86

+ HK$1 par value.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	$ 221,056,000	$ 9.06
1986	186,692,000	8.95
1985	97,395,000	5.36
1984	78,584,000	4.42

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account* (000's)

Year ended	1/30/88	1/31/87
Net sales	$ 1,847,843	$ 1,688,208
Cost of sales	1,300,686	1,200,379
Expenses	485,822	430,469
Oper. profit	$ 61,335	$ 57,360
Interest expense	7,449	11,945
Income before taxes	$ 53,886	$ 45,415
Income taxes	21,850	21,350
Net Income	$ 32,036	$ 24,065
Extraord. loss	—	(1,530)
Net Income & extraord. loss	$ 32,036	$ 22,535

* Included in Costs and Expenses, Depreciation and Amortization: $29,993,000 in 1987 and $29,065,000 in 1986.

Assets (000's)

As of	1/30/88	1/31/87
Cash	$ 21,329	$ 22,179
Accts. receiv. net	12,843	10,192
*Inventories	322,255	287,312
Prepaid expenses	17,410	2,635
Current Assets	$ 373,837	$ 322,318
#Fixed assets	244,469	199,145
Other assets	846	4,846
Intangibles	7,370	7,677
Total Assets	$ 626,522	$ 533,986

Liabilities (000's)

Outstanding checks	$ 48,193	$ 31,591
Long-term debt & cap. lease oblig. curr.	505	444
Accts. payable	141,784	122,991
Due to F. Meyer real est.	—	1,217
Accrued compensation	21,525	20,097
Accrued insurance	16,596	15,448
Accrued interest	512	696
Income taxes	19,727	20,603
Curr. Liabilities	$ 348,322	$ 213,087
Long-term debt	87,730	76,874
Cap. lease oblig.	23,923	17,114
Deferred lease transac.	22,981	18,979
Deferred inc. taxes	22,510	21,240
+Common stock	226	217
Add. paid-in capital	123,309	118,364
Retained earnings	100,597	68,561
Treasury stock	(2,943)	—
Notes receiv. from stockholders	(133)	(450)
Total Liabilities & Shareholders' Equity	$ 626,522	$ 533,986

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	2.92	2.69
%Net Income to Sales	1.73	1.43
%Net Income to Equity	14.49	12.07
Sales to Inventories	5.73	5.88
Debt to Equity	0.51	0.51
Working Capital	$ 125,515,000	$ 109,231,000
Current Ratio	1.51	1.51
Shareholders' Equity	$ 221,056,000	$ 186,692,000

Frederick's of Hollywood, Inc.

6608 Hollywood Boulevard
Los Angeles, California 90028
(213) 466-5151

Officers: George W. Townsend, chairman, president & chief executive officer; John B. Hatfield, sr. v.p.-finance & administration & secretary; Marshall F. Coil, v.p.-systems, procedures & internal audit; Ronald O. Pearson, asst. treasurer & controller; James P. Glenny, v.p.-personnel; Nitin Parikh, v.p.-planning and analysis; William E. Kavan, v.p.-management information systems.

Directors: George W. Townson, Morton R. Field, Harriett Mellinger, Hugh Hunter, William J. Barrett, Richard O. Starbird, Sylvan Lefcoe.

Business Activities: Engaged in the retail sale of women's apparel under the names Frederick's of Hollywood and Private Moments through stores in 33 states and through mail order.

Transfer Agent(s):

U.S. Stock Transfer Corp.
1745 Gardena Avenue
Glendale, California 91204

Harris Trust Company of New York
110 William Street
New York, New York 10038

Stock Exchange(s): American

Ticker Symbol: FHO

Number of Stores: (at fiscal year end)

1987	148	1984	147
1986	136	1983	140
1985	141		

Sales & Earnings

	Net Sales	Net Income
1987	$ 57,989,000	$ 1,006,000
1986	48,929,000	(518,000)
1985	45,464,000	(148,000)
1984	45,291,000	627,000
1983	44,549,000	1,039,000

	No. of Com. Shares +	Earn. per Share +
1987	1,656,000	$ 0.61
1986	1,656,000	—
1985	1,656,000	—
1984	1,656,000	0.38
1983	1,655,000	0.63

(Loss)
+ Based on the weighted average number of shares outstanding adjusted to reflect stock dividend.

Common Stock

	Cash Dividend+	Stock Dividend	Stock Split
1987	$ —	—	—
1986	—	—	—
1985	—	—	—
1984	0.30	—	—
1983	0.39	5%	—

Common Stock Equity

	Total Equity	Equity Per Share +
1987	$ 13,363,000	$ 8.07
1986	12,357,000	7.46
1985	12,875,000	7.77
1984	13,023,000	7.86
1983	12,893,000	7.79

+ Adjusted to reflect stock dividend.

Income Account* (000's)

Year ended	8/29/87	8/31/86
Net sales	$ 57,989,000	$ 48,929,000
Cost of sales	32,760,000	27,554,000
Expenses	23,303,000	22,593,000
Other income	(44,000)	(232,000)
Income (loss) before taxes	$ 1,970,000	$ (986,000)
Income taxes (income)	964,000	(468,000)
Net Income (Loss)	$ 1,006,000	$ (518,000)

* Included in Costs and Expenses, Depreciation and Amortization: $1,437,000 in 1987 and $1,364,000 in 1986.

Assets

As of	8/29/87	8/31/86
Cash	$ 3,005,000	$ 1,725,000
Accts. receiv., net	483,000	283,000
Income taxes	—	633,000
*Inventories	6,427,000	5,839,000
Prepaid expenses	714,000	1,237,000
Current Assets	$ 10,629,000	$ 9,717,000
#Fixed assets	8,817,000	7,371,000
Notes receivable	1,937,000	1,927,000
Other assets	57,000	57,000
Total Assets	$ 21,440,000	$ 19,272,000

Liabilities

Accts. payable	$ 3,519,000	$ 4,017,000
Long-term debt, curr.	73,000	190,000
Capital lease oblig., curr.	25,000	—
Accruals	1,391,000	1,277,000
Income taxes payable	592,000	—
Curr. Liabilities	$ 5,670,000	$ 5,484,000

Long-term debt	1,387,000	854,000
Capital lease oblig.	311,000	—
Deferred inc. taxes	709,000	577,000
+Common stock	1,656,000	1,656,000
Add. paid-in capital	2,019,000	2,019,000
Retained earnings	9,688,000	8,682,000
Total Liabilities & Shareholders' Equity	$ 21,440,000	$ 19,272,000

* At lower of cost (by retail method) or market on the FIFO basis.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	3.40	—
%Net Income to Sales	1.73	—
%Net Income to Equity	7.53	—
Sales to Inventories	9.02	8.38
Debt to Equity	0.55	0.08
Working Capital	$ 4,959,000	$ 4,233,000
Current Ratio	1.87	1.77
Shareholders' Equity	$ 13,363,000	$ 12,357,000

Gantos, Inc.

3260 Patterson S.E.
Grand Rapids, Michigan 49508
(616) 949-7000

Officers: L. Douglas Gantos, president; Daniel G. Gantos, exec. v.p.-store operations; William E. Craig, exec. v.p.-corp. services; Richard L. Beal, exec. v.p.-finance & corp. development; Jay A. Laninga, v.p.-accounting services; Donald O. Schilstra, v.p.-management information services; Mark S. Bowman, v.p.-real estate.

Directors: L. Douglas Gantos, Daniel G. Gantos, Alan Stuart Schwartz.

Areas of Work: Operates 85 women's apparel specialty stores under the name Gantos in 17 states and the District of Columbia.

Subsidiaries:

Gantos Stores, Inc.
Gantos Finance, Inc.

Transfer Agent(s):

National Bank of Detroit
611 Woodward
Detroit, Michigan 48226

Stock Exchange(s): Over-the-Counter

Ticker Symbol: GTOS (NASDAQ)

Number of Stores: (at fiscal year end)

1987	84	1984	42
1986	65	1983	39
1985	50		

Sales & Earnings

	Net Sales	Net Income †
1987	$ 133,046,000	$ 6,212,000
1986	98,359,000	4,508,000
1985	75,049,000	3,096,000
1984*	61,975,000	884,000
1983	52,934,000	1,386,000

	No. of Com. Shares ‡	Earn. per Share † ‡
1987	5,266,000	$ 1.18
1986	5,029,000	0.90
1985	4,464,000	0.69
1984*	4,464,000	0.20
1983	4,464,000	0.31

* 53 weeks.
† Including extraordinary loss of $121,000 ($0.03 per share) in 1984.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1987	$ 31,642,000	$ 6.01
1986	25,425,000	4.83
1985	10,495,000	2.35
1984	7,399,000	1.66
1983	6,515,000	1.46

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended	1/30/88	1/31/87
Net sales	$ 133,045,884	$ 98,358,822
Other income	3,073,281	2,634,237
Total income	$ 136,119,165	$ 100,993,059
Cost of sales	92,693,193	68,980,722
Expenses	33,416,071	23,619,413
Interest expense	480,601	612,284
Income before taxes	$ 8,529,300	$ 7,780,640
Income taxes	3,541,000	3,273,000
Cum. effect of change in accntg. meth.	(1,224,069)	—
Net Income	$ 6,212,369	$ 4,507,640

* Included in Costs and Expenses, Depreciation and Amortization: $2,915,030 in 1987 and $1,925,882 in 1986.

Assets

As of	1/30/88	1/31/87
Cash	$ 1,168,267	$ 288,738
Temporary investments	—	5,600,019
Accts. receiv., net	19,602,147	15,149,539
*Inventories	21,859,890	11,861,520
Prepaid expenses	1,393,842	495,030
Current Assets	$ 44,024,146	$ 33,394,846
#Fixed assets	24,168,163	15,068,081
Other assets	71,709	21,984
Total Assets	$ 68,264,018	$ 48,484,911

Liabilities

Accts. payable	$ 14,693,279	$ 8,152,209
Accruals	5,500,711	3,708,378
Income taxes	1,169,050	422,361
Deferred income taxes	2,309,000	774,000
Curr. Liabilities	$ 23,472,040	$ 13,056,948
Long-term liabilities	9,687,247	6,300,000
Deferred inc. taxes	3,463,000	3,703,000
+Common stock	52,642	52,640
Add. paid-in capital	10,495,310	10,490,913
Retained earnings	21,093,779	14,881,410
Total Liabilities & Shareholders' Equity	$ 68,264,018	$ 48,484,911

* At lower of cost or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	6.41	7.91
%Net Income to Sales	4.67	4.58
%Net Income to Equity	19.63	17.73
Sales to Inventories	6.09	8.29
Working Capital	$ 20,552,106	$ 20,337,898
Current Ratio	1.88	2.56
Shareholders' Equity	$ 31,641,731	$ 25,434,963

The Gap, Inc.

P.O. Box 60
San Bruno, California 94066
(415) 952-4400

Officers: Donald G. Fisher, chairman & chief exec. officer; Millard S. Drexler, president; James V. O'Donnell, exec. v.p.-operations; John P. Carver, sr. v.p.-human resources; Alan E. Zimthoun, sr. v.p. & chief financial officer; Dexter C. Tight, sr. v.p.; Steven B. Kaplan, v.p.-real estate; James A. Carolan, v.p.-management information systems; William D. Richins, v.p. & controller; David R. Jackson, v.p. & asst. gen. counsel; Warren R. Hashagen, v.p. & treasurer; Alan W. Reed, managing director–Gap Europe.

Directors: Donald G. Fisher, chairman; John G. Bowen, Alfred H. Daniels, Doris F. Fisher, Brooks Walker, Jr., Henry W. Pattison, Millard S. Drexler, Charles R. Schwab, James V. O'Donnell.

Business Activities: The company is a specialty retailer whose major division is the Gap Stores, a nationwide chain of 681 stores selling moderately priced jeans-related casual and activewear clothing for men and women. Also operates 39 GapKids stores for children, 92 Banana Republic stores, which sell travel and safari casual wear, and three Hemisphere stores, which offer upscale sportswear for men and women.

Subsidiaries:

Banana Republic, Inc.
San Francisco, California
Retailer of travel and safari casual wear.

Transfer Agent(s):

Bankers Trust Company of California, N.A.
San Francisco, California

Morgan Guaranty Trust Company of New York
New York, New York

Stock Exchange(s): New York, Pacific

Ticker Symbol: GPS

Number of Stores: (at fiscal year end)

1987	813	1984	594
1986	724	1983	550
1985	648		

Sales & Earnings

	Net Sales	Net Income
1988	$ 1,062,021,000	$ 69,595,000
1987	848,009,000	68,099,000
1986	647,333,000	27,707,000
1985*	518,229,000	12,230,000
1984	480,515,000	21,607,000

	No. of Com. Shares †	Earn. per Share †
1988	35,729,513	$ 1.95
1987	35,298,780	1.93
1986	34,178,834	0.81
1985*	33,783,368	0.36
1984	33,112,708	0.63

* 53 weeks.
† Based on the average number of shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend †	Stock Dividend	Stock Split
1988	$ 0.50	—	—
1987	0.31	—	2-for-1
1986	0.139	—	2-for-1
1985	0.125	—	—
1984	0.10	—	—

† Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share †
1988	$ 272,912,000	$ 7.64
1987	211,953,000	5.96
1986	151,643,000	4.32
1985	126,116,000	3.74
1984	121,249,000	3.56

† Adjusted to reflect stock split.

Income Account * (000's)

Year ended	1/30/88	1/31/87
Net sales	$ 1,062,021	$ 848,009
Cost of sales	679,230	499,976
Expenses	254,209	209,165
Interest expense	3,860	1,640
Income before taxes	$ 124,722	$ 137,228
Income taxes	55,127	69,129
Net income	$ 69,595	$ 68,099

* Included in Cost and Expenses, Depreciation and Amortization: $23,803,000 in 1988 and $20,943,000 in 1987.

Assets (000's)

As of	1/30/88	1/31/87
Cash & comm. paper	$ 32,057	$ 66,914
Accts. receiv., net	8,901	4,423
*Inventories	194,886	146,021
Prepaid expenses	22,735	11,251
Net assets-disc. oper.	—	1,826
Current Assets	$ 258,579	$ 230,435
#Fixed assets	156,639	117,185
Other assets	8,122	8,417
Lease rights	10,891	7,825
Total Assets	$ 434,231	$ 363,862

Liabilities (000's)

Commercial paper	$ 5,000	$ —
Long-term liab., curr.	883	826
Accruals	68,404	55,138
Income taxes	46,646	40,969
Notes payable	6,158	20,848
Long-term debt, curr.	1,500	1,500
Curr. Liabilities	$ 128,591	$ 119,281
Long-term debt	12,000	13,500
Other liabilities	10,927	6,748
Deferred credits	9,801	12,380
+Common stock	1,793	1,778
Add. paid-in capital	50,637	40,923
Retained earnings	220,482	169,252
Total Liabilities & Shareholders' Equity	$ 434,231	$ 363,862

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.05 par value.

Statistical Summary

%Income bef. Taxes to Sales	11.74	16.18
%Net Income to Sales	6.55	8.03
%Net Income to Equity	25.50	32.13
Sales to Inventories	5.45	5.81
Debt to Equity	0.05	0.07
Working Capital	$ 129,988,000	$ 110,840,000
Current Ratio	2.01	1.93
Shareholders' Equity	$ 272,912,000	$ 211,953,000

Gendis Inc.

1370 Sony Place
Winnipeg, Manitoba R3C 3C3, Canada
(204) 474-5200

Officers: Albert D. Cohen, chairman & chief exec. officer; Samuel N. Cohen, president; G. Allan Mackenzie, exec. v.p. & chief operating officer; Harry B. Cohen, v.p.; Joseph H. Cohen, v.p.; H. Murry Hamilton, v.p.; John C. Cohen, v.p.; Morley M. Cohen, v.p.; Patrick J. Matthews, v.p.-finance; William Pounder, comptroller; N. Paul Cloutier, v.p., secretary & general counsel; Edson Boyd, treasurer; Richard H. Brusegard, asst. secretary.

Directors: Albert D. Cohen*, chairman; Harry B. Cohen, John C. Cohen, Joseph H. Cohen, Morley M. Cohen*, G. R. Hunter, Samuel N. Cohen*, Edson Boyd*, S. Ronald Basford, E. C. Lumley, G. A. Mackenzie*, Fred H. McNeil.

* Member of the Executive Committee

Business Activities: The Company, through wholly-owned subsidiaries, participates in the Canadian merchandising and distribution industry. The Company owns 51% of Sony of Canada, Ltd., a joint venture that distributes all Sony products under the name of The Sony Store through 44 retail outlets across Canada. The Company also operates 416 junior department and family clothing stores across Canada. The Company is also involved in oil and gas exploration and development, and in real estate management.

Divisions and Subsidiaries:

Metropolitan Stores of Canada Limited (100% owned)
Property holding company.

Metropolitan Stores (M.T.S.) Ltd.
Junior department stores.

Saan Stores Ltd.
1370 Sony Place, Fort Garry
Winnipeg, Manitoba R3C 3C3 Canada
Family clothing stores.

Saan for Kids
Children's clothes.

Greenberg Stores Limited
Montreal, Quebec
Family clothing stores.

Sony of Canada Ltd. (51% owned)
Canadian distributor of Sony products.

Transfer Agent(s):

Canada Trust
Commodity Exchange Tower
360 Main Street
Winnipeg, Manitoba, Canada

Stock Exchange(s): Toronto

Ticker Symbol: GDS (A and B shares)

Number of Stores: (at fiscal year end)

1988	460	1985	374
1987	434	1984	312
1986	411		

Sales & Earnings

	Net Sales	Net Income ‡
1988	$ 607,043,000	$ 22,412,000
1987	588,536,000	22,522,000
1986	521,652,000	25,667,000
1985	474,005,000	20,172,000
1984	434,906,000	19,086,000

	No. of Com. Shares #	Earn. per Share ‡ +
1988	18,679,472	$ 1.20
1987	18,749,400	1.20
1986	18,749,400	1.37
1985	18,749,400	1.07
1984	18,749,400	1.04

‡ Including extraordinary loss of $1,786,000 ($0.10 per share) in 1985.
# Based on Class A and Class B common shares adjusted to reflect stock splits.
+ Based on the weighted monthly average number of Class A and Class B common shares adjusted to reflect stock splits.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1988	$ 0.43	—	—
1987	0.40	—	2-for-1
1986	0.31	—	—
1985	0.27	—	—
1984	0.23	—	4-for-3

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share +
1988	$ 152,340,000	$ 8.14
1987	141,252,000	7.52
1986	126,485,000	6.72
1985	106,520,000	5.67
1984	91,476,000	4.88

+ Adjusted to reflect stock splits.

Income Account

Year ended Jan. 31	1988	1987
Net sales	$ 607,043,000	$ 588,536,000
Cost of sales	548,524,000	531,628,000
Depreciation, amort. & depletion	9,839,000	9,699,000
Interest expense	6,247,000	3,188,000
Eq. in earn. of assoc. corps.	(655,000)	—
Income before taxes	$ 43,088,000	$ 44,021,000
Income taxes	20,676,000	21,499,000
Net Income	$ 22,412,000	$ 22,522,000

Assets

As of Jan. 31	1988	1987
Cash & short-term deposits	$ 3,626,000	4,071,000
Receiv., net	17,996,000	14,876,000
Due from Sony of Canada	8,541,000	8,821,000
*Inventories	152,517,000	147,690,000
Prepaid expenses	4,825,000	4,012,000
Current Assets	$ 187,505,000	$ 179,470,000
Investments	14,646,000	13,000
#Fixed assets	71,314,000	81,645,000
Other assets	2,143,000	889,000
Total Assets	$ 275,608,000	$ 262,017,000

Liabilities

Bank advances	$ 7,524,000	$ 7,016,000
Short-term notes payable	37,500,000	24,075,000
Long-term debt, curr.	213,000	101,000
Accts. payable & accruals	71,877,000	73,971,000
Income & other taxes	2,234,000	6,879,000
Dividends payable	2,236,000	—
Curr. Liabilities	$ 121,588,000	$ 112,042,000
Long-term debt	29,000	242,000
Deferred inc. taxes	1,651,000	8,481,000
+Common stock	12,855,000	12,902,000
Retained earnings	139,485,000	128,350,000
Total Liabilities & Shareholders' Equity	$ 275,608,000	$ 262,017,000

* At lower of cost and net realizable value.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	7.10	7.48
%Net Income to Sales	3.69	3.83
%Net Income to Equity	14.71	15.94
Sales to Inventories	3.98	3.98
Debt to Equity	0.30	0.22
Working Capital	$ 65,917,000	$ 67,407,000
Current Ratio	1.54	1.60
Shareholders' Equity	$ 152,340,000	$ 141,252,000

General Host Corporation

22 Gate House Road
P.O. Box 10045
Stamford, Connecticut 06904
(203) 357-9900

Officers: Harris J. Ashton, chairman of the board, president & chief executive officer; James C. Hull, v.p. & controller; Robert Esch, chairman-Frank's Nursery & Crafts; Daniel J. Gilmartin, dir.-planning; Walter B. Rogers, dir.-corp. communications; William F. Downey, secretary; Robert G. Kuhbach, gen. counsel.

Directors: Charles B. Johnson*, C. Whitcomb Alden, Jr., Harris J. Ashton*, William F. Downey*, Weston E. Hamilton, Philip B. Harley, Richard W. Haskel, Edward H. Hoornstra, Christopher A. Forster.

* Member of the Executive Committee

Business Activities: Engaged in the operation of 209 Frank's Nursery & Craft retail stores located in 11 states and the District of Columbia; and 37 Flower Time garden and craft centers in New York, New Jersey, Massachusetts and Connecticut.

Divisions and Subsidiaries:

Frank's Nursery & Crafts, Inc.
6399 E. Nevada
Detroit, Michigan 48234
Flower Time, Inc.

Transfer Agent(s):

Manufacturers Hanover Trust Company
450 West 33rd Street
New York, New York 10001

Stock Exchange(s): New York, Pacific

Ticker Symbol: GH

Number of Stores: (at fiscal year end)

1987	246	1984	644
1986	602	1983	1,013
1985	606		

Sales & Earnings

	Net Sales † ('000's)	Net Income ‡ ('000's)
1987	$ 396,198	$ 56,788
1986	321,530	4,674
1985	256,284	29,720
1984	203,650	92,122
1983	138,347	17,949

	No. of Com. Shares +	Earn. per Share # ‡
1987	19,938,000	$ 2.40
1986	24,875,000	0.18
1985	26,663,000	1.08
1984	28,342,000	3.24
1983	28,513,000	0.62

† Of continuing operations only.
‡ Including extraordinary loss of $3,000,000 ($0.11 per share) in 1986.
+ Adjusted to reflect stock splits.
# Based on the weighted average number of shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend #	Stock Dividend	Stock Split
1987	$ 0.25	—	—
1986	0.225	—	—
1985	0.20	—	3-for-2
1984	0.178	—	3-for-2
1983	0.156	—	5-for-4

Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share #
1987	$ 199,015,000	$ 10.04
1986	202,765,000	8.22
1985	233,821,000	8.85
1984	228,051,000	8.10
1983	147,014,000	5.22

Adjusted to reflect stock splits.

Income Account ('000's)

Year ended	1/31/88	1/25/87
Net sales	$ 396,198	$ 321,530
Other income	6,064	21,888
Total income	$ 402,262	$ 343,418
Cost of sales	269,280	232,222
Expenses	111,532	101,473
Depreciation	14,569	10,599
Interest expense	21,691	24,239
Loss before taxes	$ (14,790)	$ (25,115)
Tax credit	(7,451)	(12,278)
Loss-cont. oper.	$ (7,339)	$ (12,837)
Inc.-discont. oper.	64,127	20,511
Net Income	$ 56,788	$ 7,674
Extraord. loss	—	(3,000)
Net Income & extraord. loss	$ 56,788	$ 4,674

Assets ('000's)

As of	1/31/88	1/25/87
Cash	$ 14,494	$ 34,495
Marketable securities	80,268	136,200
Proceeds from sale of Am. Salt Co.	22,000	—
Accts. & notes receiv., net	7,766	40,473
*Inventories	77,007	114,372
Prepaid expenses	4,888	6,073
Current Assets	$ 206,423	$ 331,613
#Fixed Assets	238,125	296,147
Intangibles and other assets	45,259	63,786
Total Assets	$ 489,807	$ 691,546

Liabilities ('000's)

Long-term debt, curr.	$ 6,921	$ 8,506
Accts. payable	55,613	96,636
Accruals	45,433	45,458
Curr. Liabilities	$ 107,967	$ 150,600
Long-term debt	146,653	303,023
Reserve & defer. credits	36,172	24,408
Minority interest	—	10,750
+Common stock	31,752	31,752
Add. paid-in capital	89,887	89,589
Retained earnings	196,200	145,333
Treasury stock	(117,735)	(62,154)
Notes receiv.-stock option	(1,089)	(1,755)
Total Liabilities & Shareholders' Equity	$ 489,807	$ 691,546

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Net Income to Equity	28.53	3.78
Sales to Inventories	5.14	5.67
Debt to Equity	0.77	1.54
Working Capital	$ 98,456,000	$ 161,013,000
Current Ratio	1.91	2.20
Shareholders' Equity	$ 199,015,000	$ 202,765,000

General Mills, Inc.

9200 Wayzata Boulevard
P.O. Box 1113
Minneapolis, Minnesota 55440
(612) 540-2311

Officers: H. Brewster Atwater, Jr., chairman of the board & chief exec. officer; F. Caleb Blodgett, vice chairman & chief financial and administrative officer; Mark H. Willes, president; Joe R. Lee, exec. v.p.; Arthur R. Schulze, exec. v.p.; Stephen M. Rothschild, exec. v.p.; David R. Waters, exec. v.p.; John L. Frost, sr. v.p.-personnel; John V. Luck, sr. v.p.-science & technology; Thomas P. Nelson, sr. v.p. & controller; Clifford L. Whitehill, sr. v.p., secretary & general counsel; Charles W. Gaillard, sr. v.p. & gen. mgr.-Big G Division; David E. Kelby, sr. v.p. & treasurer.

Directors: H. Brewster Atwater, Jr.*, Betsy Ancker-Johnson, F. Caleb Blodgett*, N. Bud Grossman*, Lewis W. Lehr*, John W. Morrison*, Gwendolyn A. Newkirk, William F. Pounds, Edward S. Reid*, George Putnam, Frederick W. Smith, Richard M. Bressler, Mark H. Willes*, C. Angus Wurtele, Joe R. Lee, Michael D. Rose, Arthur R. Schulze.

* Member of the Executive Committee

Business Activities: Engaged in the production and marketing of food products (breakfast and snack items, mixes, flour, seafood, etc.); commerical foods and ingredients; restaurant activities; and retail operations through Eddie Bauer, Inc., which sells men's and women's apparel as well as

camping and outdoor equipment through its 39 Eddie Bauer stores and The Talbots, Inc., which sells classic women's clothing and accessories through its 109 Talbots stores in 24 states and the District of Columbia. Eddie Bauer and The Talbots sell by mail order catalogs as well as through retail sales.

Divisions and Subsidiaries:

Eddie Bauer, Inc.
15010 N.E. 36th Street
Redmond, Washington 98052
(206) 882-6100
Outdoor recreational and sporting clothing and equipment.

The Talbots, Inc.
175 Beal Street
Hingham, Massachusetts 02043
(617) 749-7600
Retail and mail catalog sales of men's and women's clothing.

York Steak House
Operates 113 cafeteria-style restaurants.

Red Lobster Inns
Operates 392 seafood restaurants in 34 states and 40 in Canada.

Leeann Chin's Inc.
Operates four Chinese buffet restaurants and 12 carry-out units in the Minneapolis-St. Paul and Chicago areas.

Vroman Foods
Manufacturer of ice cream specialties and other frozen snack products.

Olive Garden
Operates 18 Italian style restaurants.

Transfer Agent(s):

First Trust Company, Inc.
c/o Mellon Securities Transfer Services
67 Broad Street
New York, New York 10004

First Trust Company, Inc.
Loop Station
P.O. Box 2922
Minneapolis, Minnesota 55402

Stock Exchange(s): New York, Midwest

Ticker Symbol: GIS

Number of Stores: (at fiscal year end)

1987	148	1984	224
1986	135	1983	244
1985	126		

Sales & Earnings

	Net Sales ‡	Net Income
1987	$ 5,189,300	$ 222,000
1986	4,586,600	183,500
1985	4,285,200	(72,900)
1984	5,600,800	233,400
1983	5,550,800	245,100

	No. of Com. Shares #	Earn. per Share #
1987	88,700,000	$ 2.50
1986	89,200,000	2.06
1985	89,500,000	—
1984	93,700,000	2.49
1983	100,200,000	2.45

(Loss)
‡ Of continuing operations only.
# Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues by Line of Business #
(000's)

	1987	1986
Consumer foods	$ 3,449,900	$ 3,061,300
Restaurants	1,249,100	1,051,000
Spec. ret. & other	490,300	383,600
Total Sales	$ 5,189,300	$ 4,495,900

Of continuing operations only.

General Nutrition Incorporated

921 Penn Avenue
Pittsburgh, Pennsylvania 15222
(412) 288-4600

Officers: Jerry D. Horn, chairman of the board, president & chief executive officer; William E. Watts, senior vice president & president of General Nutrition Center, Inc.; Charles A. Koempel, senior vice president & president of General Nutrition Products, Inc.; Robert V. Dunn, senior vice president-law & administration and secretary; R. Craig Kirsch, senior vice president & chief financial officer and treasurer; Thomas Smith, vice president-management information services; Kern L. Gillette, vice president-mail order operations.

Directors: Jerry D. Horn, chairman of the board; Edward G. Beimfohr, Robert D. Buzzell, Robert V. Dunn, Lex N. Gamble, R. Craig Kirsch, Charles A. Koempel, David Lucas, William E. Watts.

Business Activities: Operates 1,114 retail stores which specialize in the sale of nutritional, personal care and other health-related products. Also manufactures a variety of nutritional products which are sold through the Company's retail stores, through its mail order division and to third parties.

Subsidiaries:

General Nutrition Corporation
General Nutrition Products, Inc.
General Nutrition Center, Inc.

Transfer Agent(s):

Mellon Bank, N.A.
Mellon Square
Pittsburgh, Pennsylvania 15219

Stock Exchange(s): New York

Ticker Symbol: GNC

Number of Stores:

1987	1,114	1984	1,308
1986	1,108	1983	1,224
1985	1,134		

Sales & Earnings

	Revenue	Net Income
1987	$ 350,952,000	$ 404,000
1986	342,591,000	6,591,000
1985	370,396,000	(16,520,000)
1984	390,349,000	11,033,000
1983	374,914,000	24,933,000

	No. of Com. Shares ‡	Earn. per Share ‡
1987	33,018,000	$ 0.01
1986	33,095,000	0.20
1985	33,057,000	—
1984	33,056,000	0.33
1983	33,056,000	0.75

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1986	1985
Retail and other	88.6%	92.0%
Manufacturing	2.7	0.2
Specialty business	8.7	7.8
Total	100.0%	100.0%

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	$ 0.16	—	—
1986	0.16	—	—
1985	0.16	—	—
1984	0.16	—	—
1983	0.14	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	$ 92,294,000	$ 2.80
1986	97,114,000	2.93
1985	95,297,000	2.88
1984	116,104,000	3.51
1983	110,926,000	3.36

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended	2/6/88	1/31/87
Net sales	$ 350,952	$ 342,591
Cost of sales	236,669	225,391
Expenses	101,594	102,629
Loss on closing for oper.	—	3,897
Interest expense	2,110	1,535
Prov. for plant sale	7,120	—
Prov. for store closing costs	2,963	1,000
Litigation settlement	(1,300)	—
Income before taxes	$ 1,396	$ 8,119
Income taxes	992	1,528
Net Income	$ 404	$ 6,591

* Included in Costs and Expenses, Depreciation and Amortization: $17,856,000 in 1987 and $16,525,000 in 1986.

Assets
(000's)

As of	2/6/88	1/31/87
Cash	$ 1,693	$ 6,536
Accts. receiv., net	4,088	6,256
Refundable taxes	1,244	1,989
Deferred inc. taxes	3,806	2,653
*Inventories	59,035	64,672
Plant assets held for resale	6,322	—
Other curr. assets	4,906	2,207
Current Assets	$ 81,094	$ 84,313
#Fixed assets	59,670	81,872
Other assets	1,759	1,896
Total Assets	$ 142,523	$ 168,081

Liabilities
(000's)

Notes payable	$ —	$ 1,000
Long-term debt, curr.	3,083	2,439
Accts. payable	15,733	19,346
Accrued payroll	8,309	10,742
Accrued store closing costs	3,585	4,998
Accrued plant consol. costs	1,041	—
Other current liabilities	5,763	6,833
Curr. Liabilities	$ 37,514	$ 45,358
Long-term debt	9,500	20,715
Deferred inc. taxes	3,215	4,694
+Common stock	4,161	4,095
Retained earnings	88,267	93,272
Treasury stock	(134)	(253)
Total Liabilities & Shareholders' Equity	$ 142,523	$ 168,081

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	0.40	2.37
%Net Income to Sales	0.12	1.92
%Net Income to Equity	0.44	6.79
Sales to Inventories	5.94	5.30
Debt to Equity	0.14	0.25
Working Capital	$ 43,580,000	$ 38,955,000
Current Ratio	2.16	1.86
Shareholders' Equity	$ 92,296,000	$ 97,114,000

Genesco Inc.

Genesco Park
Nashville, Tennessee 37202
(615) 367-7000

Officers: William S. Wire, II, chairman, president & chief executive officer; Larry B. Shelton, exec. v.p., chairman & chief exec. officer-The Greif Companies; James W. O'Brien, v.p.-human resources; William C. O'Connor, v.p.-law & secretary; James S. Gulmi, v.p.-finance & treasurer; Richard L. Daniels, v.p., & pres.-Performance Polymers International; William Dragon, Jr., exec. v.p., & president-U.S. Footwear Group; Robert E. Brosky, controller & chief accounting officer.

Directors: William S. Wire*, chairman; Sidney Davidson*, John Diebold*, Harry D. Garber*, Toby S. Wilt*, William Dragon, Jr., J. Owen Howell, Jr.*, Larry B. Shelton, Edward E. Elson*.

* Member of the Executive Committee

Business Activities: Genesco's business falls into three major areas: retailing, footwear, and men's apparel manufacturing. Operates 658 stores and leased departments throughout the U.S.

Divisions and Subsidiaries:

Manufacturing and Wholesale:

Mitre Sports
Genesco Park, Room 328
Nashville, Tennessee 37202
(615) 367-7475
Athletic shoes.

Laredo/Code West Boots
Genesco Park
Nashville, Tennessee 37202
(615) 367-7138
Laredo and Code West western boots for men, women, and children.

Charm Step Shoe Company
Genesco Park
Nashville, Tennessee 37202
(615) 367-7113
Women's popular priced shoes.

Volunteer Leather
Genesco Park
Nashville, Tennessee 37202
(615) 367-8261
Side leather tanning, finishing and distributing.

Johnston & Murphy Shoe Company
Genesco Park
Nashville, Tennessee 37202
(615) 367-8101
J & M Frank Bros. shoes for men, Johnston & Murphy men's shoes; operates 92 retail shoe stores and 45 leased departments.

The Greif Companies
939 Marcon Boulevard
P.O. Box 9000
Allentown, Pennsylvania 18001
(215) 266-2200
Men's and women's clothes.

Genesco Retail:

Journeys
Genesco Park
Nashville, Tennessee 37202
(615) 367-7019
Footwear and personal accessories for young men and women, aged 13-23.

Genesco Factory To You Shoes
Genesco Park
Nashville, Tennessee 37202
(615) 367-7363
Family footwear and accessories at factory prices.

Hardy Saoe Stores
Genesco Park
Nashville, Tennessee 37202
(615) 367-7444
Popular priced men's shoe stores.

Jarman/Flagg
Genesco Park
Nashville, Tennessee 37202
(615) 367-7222
Men's shoe stores and leased departments featuring Jarman shoes.

Transfer Agent(s):

Morgan Shareholder Services Trust Company
(common & preferred stock)
30 West Broadway
New York, New York 10015

Stock Exchange(s): New York, Midwest

Ticker Symbol: GCO

Number of Stores: (at fiscal year end)

1987	658	1984	1,098
1986	698	1983	1,157
1985	1,088		

Sales & Earnings

	Net Sales † (000's)	Net Income ‡ (000's)
1988	$ 405,844	$ 11,444
1987	514,589	20,426
1986	538,486	(33,929)
1985*	297,372	4,548
1984	606,264	18,745

	No. of Com. Shares	Earn. per Share #‡
1988	15,188,821	$ 0.61
1987	15,173,821	1.20
1986	15,098,821	—
1985*	15,060,800	0.23
1984	15,044,934	1.08

* 6 months.
(Loss)
† Of continuing operations only.
‡ Including extraordinary gains of $3,441,000 ($0.22 per share) in 1988, $5,199,000 ($0.34 per share) in 1987, $271,000 ($0.01) per share) in 1985 and $3,395,000 ($0.22 per share) in 1984.
# Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business
(000's)

	1988	1987
Footwear:		
Shoes & hosiery	$ 185,993	$ 187,381
Raw materials	121,638	114,258
Total Footwear	$ 307,531	$ 301,639
Tailored clothing	98,313	93,336
Divested operations	—	119,614
Total	$ 405,844	$ 514,589

Common Stock Equity

	Total Equity	Equity Per Share
1988	$ 56,155,000	$ 3.70
1987	46,185,000	3.04
1986	19,701,000	1.30
1985	58,364,000	3.87
1984	55,141,000	3.67

Income Account*
(000's)

Year ended Jan. 31	1988	1987
Net sales	$ 405,844	$ 514,589
Cost of sales	256,966	325,345
Expenses	139,986	178,051
Interest expense	6,328	11,779
Other expense (income)	(4,717)	3,110
Gain on sales of divested oper.	—	(19,116)
Inc. bef. taxes	$ 7,281	$ 15,220
Income taxes	3,402	9,626
Inc. - cont. oper.	$ 3,879	$ 5,594
Inc. - discont. oper.	4,124	9,633
Net Income	$ 8,003	$ 15,227
Extraord. gain	3,441	5,199
Net Income & extraord. gain	$ 11,444	$ 20,426

* Included in Costs and Expenses, Depreciation and Amortization: $7,619,000 in 1988 and $10,101,000 in 1987.

Assets
(000's)

As of Jan. 31	1988	1987
Cash	$ 6,513	$ 8,566
Marketable securities	40,000	25,100
Contract receiv.	—	63,149
Receiv., net	54,470	46,657
*Inventories	106,045	94,497
Prepaid expenses	3,642	3,224
Curr. Assets	$ 210,670	$ 241,193
Other assets	3,836	6,487
#Fixed assets	43,987	42,379
Total Assets	$ 258,493	$ 290,059

Liabilities (000's)

Long-term debt, curr.	$ —	$ 14,744
Capitalized lease oblig., curr.	1,912	1,530
Accts. payable & accruals	44,412	39,526
Prov. for oper. divester	—	12,224
Curr. Liabilities	$ 46,324	$ 68,024
Long-term debt	57,989	79,267
Cap. lease oblig.	11,013	12,925
Prov. for oper. divested	—	14,986
Other liabilities	21,092	4,238
Redeem pref. stock	36,347	34,966
Preferred stock	29,573	29,468
+Common stock	15,677	15,662
Add. paid-in capital	65,673	67,125
Accumulated deficit	(6,828)	(18,235)
Treasury stock	(17,857)	(17,857)
Emp. stock purch. accts.	(510)	(510)
Total Liabilities & Shareholders' Equity	$ 258,493	$ 290,059

* At lower of cost (FIFO) or market.
\# Less accumulated depreciation.
\+ $1 par value.

Statistical Summary

%Net Income to Equity	9.34	20.13
Sales to Inventories	3.83	5.45
Debt to Equity	0.83	1.43
Working Capital	$ 164,346,000	$ 173,169,000
Current Ratio	4.55	3.55
Shareholders' Equity	$ 85,728,000	$ 75,653,000

Genovese Drug Stores, Inc.

80 Marcus Drive
Melville, New York 11747
(516) 420-1900

Officers: Leonard Genovese, chairman of the board & president; Herbert J. Kett, sr. v.p.; Allan Patrick, sr. v.p.; Jerome Stengel, v.p. & treasurer; Donald W. Gross, v.p. & secretary; Ralph J. Rescildo, v.p.; Dominick Lettieri, v.p.; Raymond Rescildo, v.p.; J. Robert McCarthy, v.p.; John Royce, v.p.; Emil DiLollo, asst. v.p.; James Flinter, asst. v.p.; Owen Rees, asst. v.p.; Ronald LeTellier, controller.

Directors: Frances A. Wangberg, Leonard Genovese, William J. McKenna, Herbert J. Kett, Charles Hayward, Edward J. Brady, Abraham Allen, Allan Patrick, Thomas M. Cooney.

Business Activities: Operates a chain of Genovese Drug Stores located in New York, New Jersey and Connecticut.

Divisions:

Genco Distributors Division
100 Orville Drive
Bohemia, New York 11716
A distributor of cosmetics, health and beauty aids, and sundries.

Living Color Labs
199 Glen Street
Glen Cove, New York 11542
Photo-finishing labs.

Genrex Pharmacy Services
80 Marcus Drive
Melville, New York 11747

Transfer Agent(s):

American Stock Transfer Company
99 Wall Street
New York, New York 10005

Stock Exchange(s): American

Ticker Symbol: GDXA

Number of Stores (at fiscal year end)

1987	83	1984	72
1986	79	1983	66
1985	77		

Sales & Earnings

	Net Sales	Net Income
1988	$ 313,927,000	$ 4,637,000
1987	270,760,000	2,035,000
1986	233,174,000	2,929,000
1985	220,295,000	4,137,000
1984	193,772,000	3,856,000

	No. of Com. Shares ‡	Earn. per Share ‡
1988	6,039,564	$ 0.77
1987	6,032,475	0.34
1986	6,048,429	0.48
1985	6,047,881	0.68
1984	6,030,459	0.64

‡ Based on the weighted average number of shares outstanding adjusted to reflect stock dividend and stock splits.

Common Stock

	Cash Dividend‡	Stock Dividend	Stock Split
1988	$ 0.15	—	3-for-2
1987	0.13	—	—
1986	0.13	—	—
1985	0.13	—	—
1984	0.11	20%	2-for-1

‡ Adjusted to reflect stock dividend and stock splits.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	$ 30,377,000	$ 5.03
1987	26,388,000	4.37
1986	25,257,000	4.18
1985	23,135,000	3.83
1984	19,816,000	3.29

‡ Based on the weighted average number of shares outstanding adjusted to reflect stock dividend and stock splits.

Income Account *

Year ended	1/29/88	1/30/87
Net sales	$ 313,927,000	$ 270,760,000
Cost of sales	222,406,000	191,790,000
Expenses	82,231,000	72,925,000
Interest exp.	3,902,000	1,817,000
Income before taxes	$ 7,388,000	$ 4,228,000
Income taxes	3,238,000	2,193,000
Cum. effect of accntg. change	(487,000)	—
Net Income	$ 4,637,000	$ 2,035,000

* Included in Costs and Expenses, Depreciation and Amortization: $2,883,000 in 1988 and $2,555,000 in 1987.

Assets

As of	1/29/88	1/30/87
Cash	$ 1,113,000	$ 885,000
Receiv., net	4,009,000	5,284,000
*Inventories	56,441,000	47,240,000
Prepaid expenses	1,356,000	884,000
Current Assets	$ 64,919,000	$ 54,293,000
#Fixed assets	19,095,000	17,364,000
Funds held in escrow	8,031,000	8,251,000
Other assets & deferred charges	1,283,000	1,203,000
Total Assets	$ 93,328,000	$ 81,111,000

Liabilities

Notes payable	$ 158,000	$ 489,000
Long-term debt, curr.	1,036,000	1,234,000
Accts. payable	28,823,000	22,514,000
Accruals	5,015,000	3,385,000
Income taxes	—	257,000
Deferred income taxes	1,476,000	903,000
Other taxes	2,131,000	1,833,000
Curr. Liabilities	$ 38,639,000	$ 30,615,000
Long-term debt	20,150,000	20,661,000
Deferred income taxes	4,162,000	3,447,000
+Common stock	6,108,000	4,049,000
Add. paid-in capital	5,441,000	7,216,000
Retained earnings	19,130,000	15,424,000
Treasury stock	(302,000)	(301,000)
Total Liabilities & Shareholders' Equity	$ 93,328,000	$ 81,111,000

* At lower of cost (LIFO) or market.
\# Less accumulated depreciation and amortization.
\+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	2.35	1.56
%Net Income to Sales	1.48	0.75
%Net Income to Equity	15.26	7.71
Sales to Inventories	5.56	5.73
Debt to Equity	0.70	0.85
Working Capital	$ 26,280,000	$ 23,678,000
Current Ratio	1.68	1.77
Shareholders' Equity	$ 30,377,000	$ 26,388,000

George Weston Limited

22 St. Clair Avenue East
Suite 1901
Toronto, Ontario M4T 2S7, Canada
(416) 922-2500

Officers: W. Galen Weston, chairman of the board & president; Richard J. Currie, pres.-Loblaw Companies Limited; Robert H. Kidd, sr. v.p. & chief financial officer; David A. Nichol, exec. v.p.-Loblaw Companies Limited; David R. Beatty, president-Weston Foods Ltd.; Earl R. Pearce, president-Weston Resources Limited; Ivan R. Franklin, v.p.-taxation; Stewart E. Green, v.p., secretary & gen. counsel; Terrance H. Wardrop, v.p.-financial control & administration; Michael R. Lambert, controller; John V. Lauris, treasurer.

Directors: W. Galen Weston, chairman; John C. Scarth, John D. Stevenson, David A. Nichol, Mark Hoffman, Hugo Mann, Pauline McGibbon, Garry H. Weston, Robert H. Kidd, Earl R. Pearce, David R. Beatty, Robert I. Mitchell, Gerald B. Mitchell.

Business Activities: Diversified operations in food processing, fisheries, forest products, and wholesale-retail food distribution.

Divisions and Subsidiaries:

Wholesale and Retail
Canadian operations include wholesale and retail marketing of food and other products throughout Canada and food manufacturing for distribution in Canada and the United States. Also engaged in wholesale and retail distribution of food and other products in the central United States. The Company owns warehouses in strategic centers with supermarkets across Canada and the northwestern and south central United States. Also operates food manufacturing plants in Burnaby, British Columbia. United States facilities include supermarkets located primarily in the central United States with warehouses in major centers.

Canadian Operations
Loblaw Companies Limited (77% owned)
Atlantic Wholesalers
National Grocers
Zehrmart
Combined Merchandisers
Kelly, Douglas & Company, Limited (65% owned)
Westfair Foods
Loblaws Supermarkets

George Weston Limited

United States Operations
National Tea Co.
Peter J. Schmitt Co., Inc.

Weston Foods Ltd.

Bakery Group
Produces and distributes a wide variety of baked goods throughout Canada.

Weston Bakeries Limited
Stroehmann Bakeries
Soo Line Mills Limited
McCarthy Milling Company Limited

Biscuit Group
Manufactures and markets sweet biscuits, crackers, ice cream cones, confections and candies throughout Canada and the United States.

InterBake Foods Limited
Interbake Foods, Inc. (U.S.)

Chocolate & Dairy Group
Manufacturer of chocolate and chocolate products; produces ice cream and dairy products.

William Neilson Limited

Food Specialties Group
Manufactures a variety of toppings and other products for the baking confection, dairy and fountain industries. Packages and distributes a line of dried and glazed fruits, nuts, cereals and health foods. Produces liquid bulk and granulated and packaged white sugars.

Bowes Co. Ltd.
Weston Resources Limited

Fisheries
Major suppliers of Pacific coast salmon and wide variety of fresh, frozen, canned and prepared seafoods, as well as fish meal and oil.

British Columbia Packers Limited
Connors Bros. Limited
Nelbro Packing Company
Port Clyde Foods

Forest Products

Forest Products Group
Manufactures and distributes fine, specialty and kraft papers for printing, converting, packaging and wrapping; paperboard, kraft pulps, lumber, tissue, other household and industrial paper products.

Eddy Paper Company Limited
E. B. Eddy Forest Products Ltd.
Easter Fine Paper Inc. (U.S.)

Transfer Agent(s):

National Trust Company
Toronto, Montreal & Vancouver, Canada

Stock Exchange(s): Toronto, Montreal, Vancouver

Ticker Symbol: WN

Sales & Earnings

	Net Sales ('000's)	Net Income ‡ ('000's)
1987	$ 11,034,800	$ 134,100
1986	10,026,100	118,600
1985	8,879,800	100,900
1984	8,254,700	93,500
1983	7,799,600	79,200

	No. of Com. Shares +	Earn. per Share ‡ +
1987	46,096,708	$ 2.58
1986	45,998,034	2.31
1985	45,898,716	1.96
1984	45,812,668	1.79
1983	45,755,404	1.48

+ Adjusted to reflect stock split.
‡ Including extraordinary gains of $4,700,000 ($0.10 per share) in 1984 and $600,000 ($0.01 par share) in 1983.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1987	$ 0.57	—	—
1986	0.51	—	4-for-1
1985	0.44	—	—
1984	0.40	—	—
1983	0.39	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity ‡	Equity Per Share †
1987	$ 840,051,000	$ 18.23
1986	759,460,000	16.52
1985	664,231,000	14.49
1984	587,462,000	12.84
1983	518,275,000	11.34

‡ After allowing for preferred stock at redemption values.
† Adjusted to reflect stock split.

Income Account
('000's)

Year ended Dec. 31	1987	1986
Net sales	$ 11,034,800	$ 10,026,100
Cost of sales	10,502,900	8,562,100
Depreciation	174,700	153,400
Interest expense	91,100	74,700
Income bef. taxes	$ 266,100	$ 235,900
Income taxes	106,100	92,400
Minority interest	25,900	24,900
Net Income	$ 134,100	$ 118,600

Assets
('000's)

As of Dec. 31	1987	1986
Cash & investments	$ 44,500	$ 89,900
Accts. receiv., net	464,300	415,400
Prof. for sale	22,400	17,300
*Inventories	997,000	925,800
Prepaid expenses	40,400	43,300
Current Assets	$ 1,568,600	$ 1,491,700
Investments	187,700	116,200
#Fixed assets	1,729,100	1,530,600
Other assets	60,700	35,000
Total Assets	$ 3,546,100	$ 3,173,500

Liabilities
('000's)

Bank advances & notes payable	$ 247,900	$ 85,100
Long-term debt, curr.	15,900	19,000
Cap. lease oblig. curr.	5,700	7,500
Accts. payable & accurals	972,600	877,100
Dividends payable	6,900	6,400
Income taxes	60,300	57,900
Curr. Liabilities	$ 1,309,300	$ 1,053,000
Long-term debt.	620,300	571,500
Cap. lease oblig.	95,700	72,200
Other liabilities	26,700	32,700
Minority interest	269,000	260,300
Deferred inc. taxes	202,100	159,200
+Preferred stock	182,700	264,600
++Common stock	31,200	30,000
Retained earnings	790,000	698,300
For. curr. trans.	19,100	31,700
Total Liabilities & Shareholders' Equity	$ 3,546,100	$ 3,173,500

* At lower of cost and net realizable value.
# Less accumulated depreciation.
+ $100 par value.
++ No par value.

Statistical Summary

%Income bef. Taxes to Sales	2.41	2.35
%Net Income to Sales	1.22	1.18
%Net Income to Equity	13.11	11.58
Sales to Inventories	11.07	10.83
Debt to Equity	0.96	0.74
Working Capital	$ 259,300,000	$ 438,700,000
Current Ratio	1.20	1.42
Shareholders' Equity	$ 1,023,000,000	$ 1,024,600,000

Giant Food Inc.

6300 Sheriff Road
Landover, Maryland 20785
(301) 341-4100

Mailing Address:
P. O. Box 1804
Washington, Washington D.C. 20013

Officers: Israel Cohen, chairman of the board, president & chief exec. officer; David B. Sykes, sr. v.p.-finance, secretary & treasurer; Pete L. Manos, sr. v.p.-food operations; Alvin Dobbin, sr. v.p.-operations; David Freedman, sr. v.p.-corporate facilities; David W. Rutstein, sr. v.p. & counsel; Albert J. Lechert, Jr., v.p.-construction operations; Roger D. Olson, v.p.-labor relations & personnel; Alan Swoff, v.p.-frozen food operations; David Larson, v.p.-manufacturing; George W. Hannis, Jr., v.p.-dairy, delicatessen, meat & seafood; M. Davis Herriman, v.p.-grocery oper.; Emanuel Richman, v.p.-pharmacy oper.; Robert W. Schoening, v.p.-data processing syst.; Terry A. Gans, v.p.-advertising & sales promotion; Odonna Mathews, v.p.-consumer affairs; Ronald A. Cooke, v.p.-store operations; Barry F. Scher, v.p.-public affairs; Samuel E. Thurston, v.p.-distribution; Albert Reinach, controller; Michael J. Bush, v.p.-real estate; Stephen L. Oseroff, v.p.-shopping centers; M. David Richman, v.p.-quality assurance; Arthur Koch, asst. secretary.

Directors: David B. Sykes, Israel Cohen, Millard R. Wesr, Jr., Morton H. Wilner, Richard Waxenberg, Samuel Lerman, John J. Mason.

Business Activities: Operates a chain of 144 Giant Food supermarkets in Washington, D.C., Maryland and Virginia, of which 92 are food-pharmacy units; also operates one freestanding drug store.

Transfer Agent(s):

American Stock Transfer Co.
99 Wall Street
New York, New York 10005

Stock Exchange(s): American, Philadelphia, Pacific

Ticker Symbol: GFSA

Number of Stores: (at fiscal year end)

	Food Stores	Other Stores
1987	144	1
1986	141	1
1985	137	1
1984	131	33
1983	130	41

Sales & Earnings

	Net Sales ‡ ('000's)	Net Income ('000's)
1988	$ 2,721,260	$ 75,572
1987*	2,528,492	46,453
1986	2,247,218	57,003
1985	2,138,789	45,22[illegible]
1984	1,957,435	40,511

	No. of Com. Shares †	Earn. per Share #
1988	30,076,000	$ 2.51
1987*	30,045,000	1.93
1986	29,974,000	1.90
1985	29,779,000	1.53
1984	29,274,000	1.38

* 53 weeks.
‡ Of continuing operations.
† Adjusted to reflect stock split.
# Based on the weighted average number of common shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend‡	Stock Dividend	Stock Split
1988	$ 0.66	—	—
1987	0.60	—	—
1986	0.50	—	2-for-1
1985	0.40	—	—
1984	0.30	—	—

‡ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	$ 355,570,000	$ 11.82
1987	299,926,000	9.98
1986	271,319,000	9.05
1985	228,728,000	7.68
1984	193,383,000	6.61

‡ Adjusted to reflect stock split.

Income Account *
(000's)

Year ended	2/27/88	2/28/87
Net sales	$ 2,721,260	$ 2,528,492
Cost of sales	1,934,275	1,812,228
Expenses	644,270	613,783
Interest expense	22,123	15,299
Interest income	(8,033)	(6,084)
Other income	(3,100)	—
Income before taxes	$ 131,725	$ 93,266
Income taxes	56,153	46,813
Net Income	$ 75,572	$ 46,453

* Included in Costs and Expenses, Depreciation and amortization: $49,650,000 in 1988 and $40,587,000 in 1987.

Assets
(000's)

As of	2/27/88	2/28/87
Cash & short-term invest.	$ 147,609	$ 105,611
Receivables net	36,031	22,146
*Inventories	183,291	156,733
Prepaid expenses	7,865	6,659
Current Assets	$ 364,796	$ 291,149
Real estate for future develop.	5,761	12,162
#Fixed assets	396,324	346,284
Prop. under cap. leases	105,528	99,012
Other assets	12,584	10,832
Total Assets	$ 884,993	$ 759,439

Liabilities
(000's)

Long-term debt, curr.	$ 4,667	$ 3,599
Cap. lease oblig., curr.	3,178	2,244
Accts. payable	163,798	147,633
Accruals	55,702	51,754
Dividends payable	4,960	4,506
Income taxes	7,331	2,879
Curr. Liabilities	$ 239,636	$ 212,615
Long-term debt	107,963	81,636
Cap. lease oblig.	126,808	118,797
Prov. for ins. claims	12,692	12,583
Deferred inc. taxes	39,812	30,164
Other liabilities	2,512	3,718
+Common stock	30,128	30,128
Add. paid-in capital	2,516	3,183
Retained earnings	324,417	268,691
Treasury stock	(1,491)	(2,076)
Total Liabilities & Shareholders' Equity	$ 884,993	$ 759,439

* At lower of cost (primarily LIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.84	3.69
%Net Income to Sales	2.78	1.84
%Net Income to Equity	21.25	15.49
Sales to Inventories	14.85	16.13
Debt to Equity	0.68	0.69
Working Capital	$ 125,160,000	$ 78,534,000
Current Ratio	1.52	1.37
Shareholders' Equity	$ 355,570,000	$ 299,926,000

Godfrey Company

1200 West Sunset Drive
Waukesha, Wisconsin 53186
(414) 542-9311

Officers: Robert F. Norris, chairman; James H. DeWees, president & chief exec. officer; Ronald R. Lusic, exec. v.p.; Allen C. Gehrke, sr. v.p.-engineering & development; Rodger G. Scott, sr. v.p.-personnel; Douglas R. Barth, v.p.-warehouse & transportation operations; Kenneth F. Wilkinson, v.p.-meats; Rodney E. Vaughan, v.p.-merchandising; Michael J. George, v.p., chief financial officer & treasurer; Dorothy E. Rau, secretary; Edward T. O'Donnell, v.p. & controller.

Directors: John A. Godfrey, Thomas W. Godfrey, Eugene P. Lawler, Wilbert E. Schauer, Robert F. Norris, Dean F. Thomas, James H. DeWees, Michael J. George.

Business Activities: Godfrey Company is a food distributor and retailer in the greater Milwaukee and southern Wisconsin areas under the names Sentry Foods and Sun Foods.

Subsidiaries:

Crestwood Bakery
1710 South 108 Street
West Allis, Wisconsin 53214
(414) 453-4790

Artesian Farms, Inc.
RR # 1
Palmyra, Wisconsin 53156
(414) 495-2421

Store Equipment, Inc.
1200 W. Sunset Drive
Waukesha, Wisconsin 53187
(414) 542-9311

Sentry Markets, Inc.
1200 West Sunset Drive
Waukesha, Wisconsin 53187
(414) 542-9311

Bell Motor Service, Inc.
1200 West Sunset Drive
Waukesha, Wisconsin 53187
(414) 542-9311

Sentry Drugs, Inc.
1200 West Sunset Drive
Waukesha, Wisconsin 53187
(414) 542-9311

Jay's of Waukesha, Inc.
1200 West Sunset Drive
Waukesha, Wisconsin 53187
(414) 542-9311

Hub City Foods Incorporated
Marshfield, Wisconsin
Wholesale food distributor.

Transfer Agent(s):

First Wisconsin Trust Company
P.O. Box 2054
Milwaukee, Wisconsin 53201

Stock Exchange(s): Over-the-Counter

Ticker Symbol: GDFY (NASDAQ)

Number of Stores: (at fiscal year end)

1987	89	1984	85
1986	N.A.	1983	88
1985	84		

N.A.-Not Available.

Sales & Earnings

	Net Sales	Net Income
1987	$ 664,307,000	$ 8,333,000
1986	601,776,000	5,473,000
1985	533,813,000	2,781,000
1984	499,393,000	1,508,000
1983	485,715,000	2,069,000

	No. of Com. shares #	Earn. per Share ‡
1987	5,464,096	$ 1.51
1986	5,477,604	1.00
1985	5,312,774	0.52
1984	5,211,116	0.29
1983	5,214,416	0.39

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend and stock splits.
# Adjusted to reflect stock dividend and stock splits.

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1987	$ 0.27 1/2	—	2-for-1
1986	0.24 1/2	10%	—
1985	0.23	—	3-for-2
1984	0.22	—	—
1983	0.22	—	—

‡ Adjusted to reflect stock dividend and stock splits.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	$ 40,291,000	$ 7.37
1986	33,854,000	6.18
1985	28,940,000	5.45
1984	26,936,000	5.17
1983	26,576,000	5.10

‡ Adjusted to reflect stock dividend and stock splits.

Income Account *

Year ended	2/28/87	2/12/86
Net sales	$ 664,307,000	$ 601,776,000
Cost of sales	569,594,000	511,970,000
Expenses	77,061,000	78,027,000
Interest & other debt exp.	1,829,000	2,016,000
Income before taxes	$ 15,823,000	$ 9,763,000
Income taxes	7,490,000	4,290,000
Net income	$ 8,333,000	$ 5,473,000

* Included in Costs and Expenses, Depreciation and Amortization: $4,803,000 in 1987 and $5,104,000 in 1986.

Assets

As of	2/28/87	2/22/86
Cash	$ 3,488,000	$ 2,755,000
U.S. Treasury bills	18,145,000	10,169,000
Accts. receiv., net	5,230,000	4,778,000
* Inventories	32,747,000	31,657,000
Prepaid exp. & taxes	5,264,000	4,352,000
Deferred employee benefits	4,003,000	4,125,000
Curr. Assets	$ 68,877,000	$ 57,836,000
Investments	1,377,000	1,412,000
# Fixed assets	37,383,000	40,061,000
Total Assets	$ 107,637,000	$ 99,309,000

Liabilities

Long-term debt, curr.	$ 1,660,000	$ 1,746,000
Accts. payable	31,661,000	29,588,000
Accrued compensation	7,083,000	5,049,000
Other taxes	2,494,000	2,651,000
Curr. Liabilities	$ 42,898,000	$ 39,034,000
Long-term debt	17,787,000	20,406,000
Deferred compensation	4,712,000	3,964,000
Deferred inc. taxes	1,949,000	2,051,000
+ Common stock	5,553,000	2,767,000
Add. paid-in capital	13,056,000	15,705,000
Retained earnings	22,474,000	15,647,000
Treasury stock	(792,000)	(265,000)
Total Liabilities & Shareholders Equity	$ 107,637,000	$ 99,309,000

* At lower of cost (LIFO) or market.
# Less accumulated depreciation & amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	2.38	1.62
%Net Income to Sales	1.25	0.91
%Net Income to Equity	20.68	16.17
Sales to Inventories	20.29	19.01
Debt to Equity	0.48	0.65
Working Capital	$ 25,979,000	$ 18,802,000
Current Ratio	1.61	1.48
Shareholders' Equity	$ 40,291,000	$ 33,854,000

The Good Guys, Inc.

601 Van Ness Avenue
San Francisco, California 94102
(415) 259-5200

Officers: Ronald Unkefer, chairman of the board & president; Barry D. Weston, executive v.p. & chief financial officer; Stanley R. Baker, v.p.-video merchandising & secretary; Wayne R. Inouye, v.p.-audio merchandising; Barton L. Jackson, v.p.-management information systems; Fay R. Landau, v.p.-sales promotion; Roger W. Lueury, v.p.-operations; Gregory L. Steele, v.p.-real estate; Gera M. Vaz, human resources; Kenneth R. Weller, v.p.-sales.

Directors: Ronald Unkefer, chairman; Barry D. Weston, Stanley R. Baker, Robert A. Dunst, Russell M. Solomon.

Areas of Work: Operates 14 consumer electronics retail stores in northern California under the name THE GOOD GUYS!

Transfer Agent(s):

Bank of America, N.T. & S.A.
P.O. Box 37002
San Francisco, California 94111

Stock Exchange(s): Over-the-Counter

Ticker Symbol: GGUY (NASDAQ)

Number of Stores:

1987 . . . . . 14 1985 7
1986 12

Sales & Earnings

	Net Sales	Net Income
1987	$ 120,239,000	$ 2,609,000
1986	89,473,000	1,401,000
1985	70,868,000	2,255,000
1984	52,150,000	739,000
1983	40,972,000	851,000

	No. of Com. Shares ‡	Earn. per Share ‡
1987	4,439,000	$ 0.59
1986	4,008,000	0.25
1985	3,500,000	0.64
1984	3,500,000	0.21
1983	3,500,000	0.24

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	$ 20,634,000	$ 4.65
1986	17,379,000	4.34
1985	5,716,000	1.63
1984	3,461,000	0.99
1983	2,722,000	0.78

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account * (000's)

Year ended Sept. 30	1987	1986
Net sales	$ 120,239	$ 89,473
Cost of sales	86,995	63,739
Expenses	28,578	23,198
Other income	(253)	(85)
Income before taxes	$ 4,919	$ 2,621
Income taxes	2,310	1,220
Net income	$ 2,609	$ 1,401

* Included in Costs and Expenses, Depreciation and Amortization: $1,265,000 in 1987 and $928,000 in 1986.

Assets (000's)

As of Sept. 30	1987	1986
Cash	$ 6,733	$ 7,384
Accts. receiv., net	3,192	1,982
*Inventories	13,772	10,624
Prepaid expenses	750	679
Real est. held for resale	—	7,760
Current Assets	$ 24,447	$ 28,429
#Fixed assets	6,612	4,427
Other assets	328	377
Total Assets	$ 31,387	$ 33,233

Liabilities (000's)

Notes payable	$ —	$ 6,000
Accts. payable	6,617	6,105
Accrued payroll	1,248	1,042
Accrued sales taxes	842	672
ESOP contribution	687	409
Deferred revenue	379	456
Other current liabilities	555	435
Curr. Liabilities	$ 10,328	$ 15,119
Deferred revenue	425	735
+Common stock	45	43
Add. paid-in capital	10,963	10,319
Retained earnings	9,626	7,017
Total Liabilities & Shareholders' Equity	$ 31,387	$ 33,233

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.09	2.93
%Net Income to Sales	2.17	1.57
%Net Income to Equity	12.64	8.06
Sales to Inventories	8.73	8.42
Working Capital	$ 14,119,000	$ 13,310,000
Current Ratio	2.37	1.88
Shareholders' Equity	$ 20,634,000	$ 17,379,000

Gordon Jewelry Corporation

820 Fannin Street
Houston, Texas 77002
(713) 222-8080

Officers: Harry B. Gordon, co-chairman; Aron S. Gordon, co-chairman; Daniel P. Gordon, president & chief exec. officer; W. Lowry Barfield, vice-chairman, chief financial officer & secretary; James C. Gordon, exec. v.p. & chief operating officer; Douglas B. Gordon, sr. v.p.-corporate development; Stanley J. Hoffman, sr. v.p.-credit administration; Morton Levin, sr. v.p. traditional store operations; Robert W. Bridel, sr. v.p.-contemporary store operations; Vincent Ambriola, sr. v.p.-corporate information management; Walter H. Harvey, treasurer; Gary D. Walther, controller; Nelda R. Brister, asst. secretary & asst. treasurer.

Directors: Harry B. Gordon, Aron S. Gordon, James C. Gordon, W. Lowry Barfield, Daniel P. Gordon, Jack S. Blanton, Roy L. Dye, Jr., Arnold M. Miller, Douglas B. Gordon, L. William Heiligbrodt.

Business Activities: Operates a chain of jewelry stores throughout the United States and Puerto Rico. The names of the company's traditional jewelry stores are: Citizens, Lawton's, Linz Bros., Mermod-Jaccard-King, D.P. Peal, Rost, Sweeney's and J. Herbert Hall Jewelers. The names of the company's contemporary jewelry stores are: Gordon's Jewelers and Daniel's Jewelers.

Divisions:

Contemporary Jewelry
Stores Division

Traditional Jewelry
Stores Division

Transfer Agent(s):

Texas Commerce Bank
National Association
Houston, Texas 77002

Stock Exchange(s): New York

Ticker Symbol: GOR

Number of Stores (at fiscal year end)

	Jewelry Stores	Catalog Showrooms
1987	613	—
1986	603	58
1985	599	56
1984	605	55
1983	597	49

Sales & Earnings

	Net Sales +	Net Income
1987	$ 388,086,857	$ (19,223,665)
1986	370,257,998	13,449,907
1985	367,567,998	8,480,341
1984	366,266,850	27,338,600
1983	333,142,295	19,825,102

	No. of Com. Shares ‡	Earn. per Share @
1987	10,471,534	$ —
1986	10,903,884	1.24
1985	11,337,374	0.72
1984	11,765,301	2.33
1983	11,386,951	1.76

(Loss)
+ Of continuing operations only.
‡ Adjusted to reflect stock split.
@ Based on the average number of common shares and common equivalents outstanding adjusted to reflect stock split.

Revenues by Line of Business

	1987	1986
Contemporary stores	$ 251,161,827	$ 239,171,796
Traditional stores	136,925,030	131,086,202
Total	$ 388,086,857	$ 370,257,998

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1987	$ 0.52	—	—
1986	0.52	—	—
1985	0.51	—	—
1984	0.465	—	4-for-3
1983	0.42	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	$ 224,563,605	$ 21.45
1986	249,795,586	23.78
1985	255,705,734	22.55
1984	260,388,634	22.13
1983	233,030,210	20.46

‡ Adjusted to reflect stock split.

Income Account *

Year ended Aug. 31	1987	1986
Net sales	$ 388,086,857	$ 370,257,998
Cost of sales	230,226,759	187,096,274
Prov. for inventory valuation allow.	15,000,000	—
Expenses	123,075,845	122,061,400
Prov. for doubtful accts.	23,344,064	21,064,227
Interest expense	8,713,522	6,128,251
Other expense	1,033,743	858,728
Income (loss) bef. taxes	$ (12,307,076)	$ 33,049,118
Income taxes (credit)	(5,765,447)	15,241,822
Inc. (loss) - cont. oper.	$ (6,441,629)	$ 17,807,296
Less - discont. oper.	(12,782,036)	(4,357,389)
Net income	$ (19,223,665)	$ 13,449,907

(Loss)
* Included in Costs and Expenses, Depreciation and Amortization: $7,835,168 in 1987 and $6,129,867 in 1986.

Assets

As of Aug. 31	1987	1986
Cash	$ 4,233,295	$ 1,956,837
Accts. receiv., net	122,547,782	102,501,318
Other receiv.	12,851,889	5,592,615
*Inventories	221,450,113	223,586,791
Prepaid expenses	593,682	969,554
Net assets-discont. oper.	—	56,512,655
Current Assets	$ 361,676,761	$ 391,119,770
#Fixed assets	66,548,651	55,324,707
Note receivable	20,000,000	—
Other assets	9,737,694	7,527,988
Total Assets	$ 457,963,106	$ 468,644,821

Liabilities

Notes payable	$ 127,132,205	$ 81,936,973
Accts. payable	53,416,355	47,828,324
Accruals	14,004,409	13,037,038
Income taxes	4,136,521	28,956,007
Curr. Liabilities	$ 198,689,490	$ 171,758,342
Long-term debt	11,790,688	43,130,893
Deferred in taxes	22,911,323	3,960,000
+Common stock	11,765,546	11,765,494
Add. paid-in capital	24,876,805	24,875,998
Retained earnings	209,339,652	234,021,190
Treasury stock	(21,418,396)	(20,867,096)
Total Liabilities & Shareholders' Equity	$ 457,963,106	$ 468,644,821

* At lower of cost (LIFO & retail) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Net Income to Equity	—	5.38
Sales to Inventories	1.75	1.66
Debt to Equity	0.62	0.50
Working Capital	$ 162,987,271	$ 219,361,428
Current Ratio	1.82	2.28
Shareholders' Equity	$ 224,563,605	$ 249,795,586

Gottschalks Inc.

860 Fulton Mall
Fresno, California 93721
(209) 485-1111

Officers: Joe Levy, chairman & chief executive officer; Gerald H. Blum, president, secretary & chief operating officer; Robert E. Lawson, exec. v.p. & chief financial officer.

Directors: Joe Levy, chairman of the board; Gerald H. Blum, Sharon Levy, Brett Levy, Karen Blum, Joseph J. Pembera, Charles Johnson.

Business Activities: Operates a chain of 14 "Gottschalk's" department stores, nine "Petites West" clothing stores for the petite woman, and 11 "Village East" clothing stores for the larger woman. All retail operations are in California.

Subsidiary:

E. Gottschalk & Company Inc.

Acquisitions:

Malcolm Brock Co., Inc.
Operates two department stores in Bakersfield, California.

Transfer Agent(s):

Manufacturers Hanover Trust Company of California
50 California Street, Tenth Floor
San Francisco, California 94111

Stock Exchange(s): New York, Pacific

Ticker Symbol: GOT

Number of Stores (at fiscal year end)

1988	34	1985	28
1987	30	1984	27
1986	28		

Sales & Earnings

	Net Sales	Net Income †
1987	$ 156,623,000	$ 5,648,000
1986	125,924,000	4,021,000
1985	112,785,000	3,005,000
1984	106,374,000	1,047,000
1983	103,999,000	325,000

	No. of Com. Shares	Earn. per Share ‡ †
1987	8,539,329	$ 0.69
1986	7,511,476	0.57
1985	5,500,000	0.55
1984	5,500,000	0.19
1983	5,500,000	0.06

† Including extraordinary gain of $689,256 ($0.08 per share) in 1987.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	—	—	—
1986	—	—	2-for-1 ‡

‡ Declared Mar., 1987.

Common Stock Equity

	Total Equity	Equity Per Share
1987	$ 49,622,000	$ 5.81
1986	29,605,000	3.94
1985	10,861,000	1.97
1984	7,869,000	1.43
1983	6,835,000	1.24

Income Account

Year ended	1/30/88	1/31/87
Net sales	$ 156,622,712	$ 125,923,562
Other income	6,195,944	4,579,976
Total income	$ 162,818,656	$ 130,503,538
Cost of sales	104,778,958	77,731,973
Expenses	44,391,741	40,625,127
Depreciation & amortization	1,791,622	1,391,941
Interest expense	2,969,258	2,842,461
Income before taxes	$ 8,887,077	$ 7,912,036
Income taxes	3,928,000	3,891,000
Net income	$ 4,959,077	$ 4,021,036
Extraord. gain	689,256	—
Net income & extraord. gain	$ 5,648,333	$ 4,021,036

Assets

As of	1/30/88	1/31/87
Cash	$ 1,584,643	$ 340,878
Marketbl. secur	2,511,061	—
Accts. receiv., net	41,147,792	30,895,671
*Inventories	21,372,795	12,301,193
Deferred VEBA contrib.	803,126	1,900,000
Other curr. assets	3,529,115	2,430,366
Current Assets	$ 70,948,512	$ 47,868,108
#Fixed assets	38,577,328	25,610,769
Deferred VEBA contrib.	—	2,027,840
Intangibles	2,625,161	630,965
Other assets	191,878	191,878
Total Assets	$ 112,342,879	$ 76,329,560

Liabilities

Rev-olv. credit line	$ 14,003,000	$ 4,995,000
Long-term debt, curr.	726,267	665,623
Accts. payable	4,692,319	1,591,716
Accruals	6,970,210	2,963,417
Accrued payroll	1,396,686	1,062,772
Income taxes	2,326,198	1,699,657
Deferred income taxes	5,005,858	5,742,739
Curr. Liabilities	$ 35,117,336	$ 18,721,844
Long-term debt	25,473,148	25,927,507
Deferred revenue	1,285,846	1,363,600
Deferred income	289,566	267,526
Deferred inc. taxes	555,195	443,673
+Common stock	85,393	75,115
Add. paid-in capital	29,255,841	14,898,074
Retained earnings	20,280,554	14,632,221
Total Liabilities & Shareholders' Equity	$ 112,342,879	$ 76,329,560

* At lower of cost (LIFO) or market.
\# Less accumulated depreciation and amortization.
\+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	5.67	6.28
%Net Income to Sales	3.17	3.19
%Net Income to Equity	9.99	13.58
Sales to Inventories	7.33	10.24
Debt to Equity	0.53	0.90
Working Capital	$ 35,831,176	$ 29,348,535
Current Ratio	2.02	2.57
Shareholders' Equity	$ 49,621,788	$ 29,605,410

Grafton Group Limited

(51% of the common shares owned by Greywinds Investments Limited)

9 Sunlight Park Road
P.O. Box 108, Postal Station G
Toronto, Ontario, M4M 3G1, Canada
(416) 461-9411

Officers: W. A. Heaslip, chairman, chief executive officer & president; T. E. Topping, exec. v.p.; G. A. Reynolds, v.p.-finance, secretary & treasurer.

Directors: William A. Heaslip*, chairman; William F. James, James W. McCutcheon*, H. John McDonald*, George A. Reynolds*, T. Edward Topping, David B. Weldon*, Douglas C. Woolley.

* Member of the Executive Committee

Business Activities: The Company is a specialty retailer of apparel and footwear. In Canada, men's and boys' wear is sold through licensed departments in 121 Woolco Department Stores. Menswear is sold through 170 Jack Fraser, 20 Grafton & Co., 55 Elks, and 25 George Richards Kingsize Clothes stores. Womenswear is sold through 116 Loft Departments and 43 Sideffects stores. Fashion co-ordinated casual wear is sold through 63 Dapper Dan shops. Footwear is sold in 221 shoe stores through Maher, J. Reid, Copp, Julie, Footpath and licensed departments. A variety of merchandise is sold at discount prices through 21 apparel clearance centers and 55 Nabour Stores. The Company also owns a home furnishings company which manufactures and wholesales bedroom and bathroom decorative products.

In the United States, the Company operates 213 Ladieswear stores under the Siefert's, La Vogue by Seifert's, Mark Henri, and Dimension Plus names in 25 states.

Divisions and Subsidiaries:

Jack Fraser Stores
Grafton-Fraser, Inc.
Grafton & Co.
George Richards Kingsize Clothes Limited (50%-owned)
Toby Industries Limited
Grafton Realty Company, Limited
Maher Inc.
James B. McGregor
Forsyth Trading Company Limited (joint venture; 36.67% interest)
Seifert's Incorporated
Elks Inc. (66⅔%-owned)
Nabour Stores Ltd.

Transfer Agent(s):

Guaranty Trust Company of Canada

Stock Exchange(s): Toronto

Ticker Symbol: GPG T

Number of Stores (at fiscal year end)

1988	1,123	1985	925
1987	1,135	1984	914
1986	1,003		

Sales & Earnings

	Net Sales †	Net Income +
1988	$ 627,729,000	$ (3,186,000)
1987	594,212,000	22,703,000
1986	504,008,000	26,373,000
1985	461,954,000	23,272,000
1984	420,654,000	18,456,000

	No. of Com. Shares ‡	Earn. per Share ‡ †
1988	18,738,000	$ —
1987	18,738,000	1.13
1986	18,738,000	1.32
1985	18,738,000	1.16
1984	18,738,000	0.90

(Loss)
† Of continuing operations only.
\+ Including extraordinary gains of $127,000 ($0.01 per share) in 1987, $886,000 ($0.04 per share) in 1986, $728,000 ($0.04 per share) in 1985 and $301,000 ($0.02 per share) in 1984.
‡ Based on the weighted average number of Class A and common shares outstanding.

Revenues by Line of Business

	1988	1987
Retail:		
Apparel	$ 540,691,000	$ 505,277,000
Footwear	69,803,000	71,122,000
Home furnishings	17,235,000	17,813,000
Total	$ 627,729,000	$ 594,212,000

Common Stock

	Cash Dividend‡	Stock Dividend	Stock Split
1988	$ 0.32	—	—
1987	0.30	—	—
1986	0.23	—	3-for-1
1985	0.21	—	—
1984	0.19	—	—

‡ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	$ 152,850,000	$ 8.16
1987	166,033,000	8.86
1986	151,595,000	8.09
1985	128,370,000	6.85
1984	110,297,000	5.89

‡ Based on the weighted average number of Class A and common shares outstanding adjusted to reflect stock split.

Income Account (000's)

Year ended Jan. 31	1988	1987
Net sales:		
Retail	$ 610,494	$ 576,399
Mfg.	17,235	17,813
Total Revenues	$ 627,729	$ 594,212
Cost of sales & expenses	540,082	489,974
Rental expense	67,554	55,044
Depreciation	14,247	11,476
Amortization of cost	777	715
Interest expense	7,568	6,482
Misc. expense	(4,260)	(3,777)
Per. exch. loss (gain)	(277)	311
Gain on sale	(148)	(1,670)
Gain on equity invest.	—	(1,375)
Prov. for loss on oil prop.	759	—
Income before taxes	$ 6,427	$ 39,032
Income taxes (credit)	(617)	15,322
Minority interest	(356)	607
Inc.-cont. oper.	$ 7,400	$ 23,103
Loss-discont. oper.	(10,586)	(527)
Net Income (Loss)	$ (3,186)	$ 22,576
Extraordinary gain	—	127
Net Income (Loss) & extraord. gain	$ (3,186)	$ 22,703

Assets (000's)

As of Jan. 31	1988	1987
Cash	$ 21,757	$ 46,771
Marketable securities	32,789	31,591
Accts. receiv., net	26,254	27,693
Recov. inc. taxes	6,356	—
Deferred income taxes	4,076	5,229
*Inventories	81,284	86,217
Prepaid exp. & deposits	2,594	2,637
Current Assets	$ 175,106	$ 200,138
Investments	15,441	17,998
#Fixed assets	73,571	67,411
Unamort. fin. costs	102	122
Intangibles	12,573	15,017
Total Assets	$ 276,793	$ 300,686

Liabilities (000's)

Long-term debt & cap. lease oblig., curr.	$ 1,617	$ 2,199
Bank advances	—	3,230
Accts. payables & accruals	71,873	73,688
Income & other taxes	884	10,571
Curr. Liabilities	$ 74,374	$ 89,688

Long-term debt	37,309	32,220
Cap. lease oblig.	5,140	6,615
Minority interest	3,889	4,331
Deferred inc. taxes	3,231	1,799
+Common stock	9,796	9,866
Pur. curr. adj.	1,735	3,531
Retained earnings	141,321	152,636
Total Liabilities & Shareholders' Equity	$ 276,793	$ 300,686

* Retail inventories at lower of cost or market and net realizable value, less normal profit margin. Raw materials at lower of cost and replacement cost.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Net Income to Equity	—	13.60
Debt to Equity	0.29	0.25
Working Capital	$ 100,732,000	$ 110,450,000
Current Ratio	2.35	2.73
Shareholders' Equity	$ 152,850,000	$ 166,033,000

Grand Auto, Inc.

7200 Edgewater Drive
Oakland, California 94621
(415) 568-6500

(Acquired by PACCAR Investment, Inc., a wholly owned subsidiary of PACCAR Inc., on June 1, 1988.)

Officers: Irving E. Krantzman, chairman of the board; Thomas F. Herman, president & chief exec. officer; Merle Krantzman, Jr., sr. v.p.-marketing; Gary Hill, v.p. & chief financial officer; R.J. Micheletti, v.p.-industrial relations/personnel; Donald J. Nickols, sr. v.p.-operations; Bruce J. Levitin, sr. v.p.-administration; Ellington Owensby, v.p.-construction/property; Daniel C. Santo, v.p.-tires, batteries and accessories; Clayton Church, v.p.-real estate; Robert Kalinin, v.p.-distribution; R.N. Stefan, secretary.

Directors: Irving E. Krantzman, chairman; Marvin E. Bruce, Max Brown, Hugh M. Tana, Gary J. Shapiro, Theodore F. Garfinkle.

Business Activities: Operates a chain of company-owned automotive supply stores, under the names Grand Auto and Top Auto, in California, Nevada, Washington and Alaska.

Number of Stores: (at fiscal year end)

1988	107	1985	86
1987	113	1984	84
1986	113		

Sales & Earnings

	Net Sales	Net Income †
1988	$ 172,463,000	$ (5,695,000)
1987	165,842,000	4,912,000
1986	167,658,000	2,564,000
1985	154,282,000	4,877,000
1984	139,503,000	5,089,000

	No. of Com. Shares +	Earn. per Share † #
1988	3,074,965	$ —
1987	3,074,865	$ 1.60
1986	3,074,865	0.84
1985	2,996,865	1.63
1984	2,983,665	1.71

(Loss)
† Including extraordinary gain of $5,048,000 ($1.64 per share) in 1987.
+ Adjusted to reflect stock split.
# Based on the average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend #	Stock Dividend	Stock Split
1988	$ —	—	—
1987	0.10	—	—
1986	0.40	—	—
1985	0.37	—	—
1984	0.26	—	3-for-1

Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share #
1988	$ 31,142,000	$ 10.13
1987	36,835,000	11.98
1986	32,230,000	10.48
1985	29,774,000	9.94
1984	25,908,000	8.68

Adjusted to reflect stock split.

Income Account

Year ended	1/31/88	1/25/87
Net sales	$ 172,463,000	$ 165,842,000
Cost of sales	122,470,000	112,023,000
Expenses	52,712,000	47,204,000
Depreciation & amortization	4,250,000	3,894,000
Interest expense	2,591,000	2,973,000
Loss bef. taxes	$ (9,560,000)	$ (252,000)
Tax credit	(3,865,000)	(116,000)
Net Loss	$ (5,695,000)	$ (136,000)
Extraord. gain	—	5,048,000
Net Loss & extraord. gain	$ (5,695,000)	$ 4,912,000

Assets

As of	1/31/88	1/25/87
Cash	$ 2,719,000	$ 3,171,000
Accts. receiv., net	10,311,000	10,447,000
Inc. taxes refund.	2,992,000	101,000
*Inventories	42,735,000	39,436,000
Prepaid expenses	2,647,000	2,220,000
Assets held for sale	2,062,000	—
Current Assets	$ 63,466,000	$ 55,375,000
#Fixed assets	28,482,000	32,565,000
Other assets	1,470,000	1,445,000
Total Assets	$ 93,418,000	$ 89,385,000

Liabilities

Long-term debt, curr.	$ 12,368,000	$ 1,651,000
Accts. payable	15,307,000	9,725,000
Accruals	13,025,000	11,216,000
income taxes	—	2,443,000
Other taxes	1,441,000	2,096,000
Curr. Liabilities	$ 42,141,000	$ 27,131,000
Long-term debt	12,274,000	18,465,000
Oblig. under cap. leases	5,742,000	5,964,000
Def. inc. taxes & other	2,119,000	990,000
+Common stock	5,391,000	5,399,000
Retained earnings	25,751,000	31,446,000
Total Liabilities & Shareholders' Equity	$ 93,418,000	$ 89,385,000

* At cost (LIFO).
# Less accumulated depreciation & amortization.
+ No par value.

Statistical Summary

Sales to Inventories	4.04	4.21
Debt to Equity	0.98	0.50
Working Capital	$ 21,325,000	$ 28,244,000
Current Ratio	1.51	2.04
Shareholders' Equity	$ 31,142,000	$ 36,835,000

The Grand Union Company

201 Willowbrook Boulevard
Wayne, New Jersey 07470
(201) 890-6000

(A wholly owned subsidiary of Cavenham (USA) Inc., which in turn is a wholly owned subsidiary of Cavenham Holdings Inc., a privately held corporation. The Grand Union's debentures are publicly traded.)

Officers: Floyd Hall, chairman of the board & chief exec. officer; Joseph J. McCaig, president & chief operating officer; Henry T. Johnson, exec. v.p. & chief administrative officer; William A. Louttit, exec. v.p.-merchandising; Robert Terrence Galvin, sr. v.p., chief financial officer & secretary; Bradley C. Johnson, sr. v.p.-real estate & development; William M. Reffett, sr. v.p.-personnel; Charles J. Barrett, v.p.-labor relations; Kenneth R. Baum, v.p. & controller; Jack Calderone, v.p.-meat merchandising; William Hoffert, v.p.-gen. mdse. merchandising; Roger W. Kennedy, v.p. & treasurer; William E. Kimlow, v.p.-mgmt. info. systems; William Lehrburger, v.p.-advertising; Brooke D. Lennon, v.p.-grocery merchandising; Ronald L. Lunde, v.p.-merchandise operations; Anthony P. Missni, v.p.-produce merchandising; Robert E. Mobel, v.p.-quality control; Robert J. Saba, v.p.-Northern Region; Bryan Springthorpe, v.p.-distribution; Darrell W. Stine, v.p.-New York Region; Craig C. Sturken, v.p.-Southern Region; Donald C. Vaillancourt, v.p.-corporate communications & consumer affairs.

Directors: Floyd Hall, chairman; Gilberte E. Beaux, Ian M. Duncan, Robert Terrence Galvin, Luce Gendry, Milton Glaser, Sir James Goldsmith, Bradley C. Johnson, Henry T. Johnson, William A. Louttit, Joseph J. McCaig, William M. Reffett, Jivan Tabibian, Jane van der Heyde.

Business Activities: Operates chains of four specific store types: supermarkets, community stores, food markets, and food centers.

Number of Stores:

1987	369	1985	383
1986	371		

Sales & Earnings

	Net Sales	Net Income
1987	$ 2,743,553,000	$ 34,125,000
1986	2,611,616,000	20,693,000
1985	2,529,392,000	5,328,000
1984	3,438,848,000	(115,240,000)
1983	3,519,341,000	226,000

	No. of Com. Shares	Earn. per Share
1987	801.5	$ —
1986	801.5	—
1985	801.5	—
1984	801.5	—

(Loss)

Common Stock Equity

	Total Equity	Equity Per Share
1987	$ 197,088,000	$ —
1986	162,963,000	—
1985	142,470,000	—
1984	137,142,000	—
1983	208,479,000	—

The Grand Union Company

Income Account * (000's)

Year ended	3/28/87	3/29/86
Net sales	$ 2,745,553	$ 2,611,616
Cost of sales	2,108,026	2,014,029
Expenses	563,615	543,460
Interest expense	15,115	18,203
Interest income	(4,328)	(2,749)
Prof. for store clos. prog.	—	7,580
Inc. bef. taxes	$ 63,125	$ 31,093
Income taxes	29,000	10,600
Net Income	$ 34,125	$ 20,493

* Included in Costs and Expenses, Depreciation and Amortization: $35,635,000 in 1987 and $33,765,000 in 1986.

Assets (000's)

As of	3/28/87	3/29/86
Cash & temp. cash invest.	$ 17,922	$ 53,666
Accts. receiv., net	18,914	18,957
*Inventories	218,397	189,294
Prepaid inc. taxes	19,149	18,798
Prepaid expenses	13,071	7,188
Props. held for sale	533	6,464
Current Assets	$ 287,986	$ 294,367
#Fixed assets	291,847	280,921
Notes receiv. & other assets	15,408	7,029
Intangibles	9,509	9,787
Total Assets	$ 604,750	$ 592,104

Liabilities (000's)

Short-term debt	$ 9,632	$ 21,631
Accts. payable & accruals	201,246	199,473
Income taxes	16,963	3,856
Curr. Liabilities	$ 227,841	$ 224,960
Long-term debt	39,011	47,882
Cap. lease oblig.	81,509	97,878
Def. pension oblig.	11,193	10,875
Deferred inc. taxes	18,553	12,662
Other liabilities	29,555	34,884
+Common stock	40,077	40,077
Add. paid-in capital	106,188	106,188
Retained earnings (def.)	50,823	16,698
Total Liabilities & Shareholders' Equity	$ 604,750	$ 592,104

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $50,000 par value.

Statistical Summary

%Income bef. Taxes to Sales	2.30	1.19
%Net Income to Sales	1.24	0.78
%Net Income to Equity	17.31	12.58
Sales to Inventories	12.57	13.80
Debt to Equity	0.20	0.29
Working Capital	$ 60,145,000	$ 69,407,000
Current Ratio	1.26	1.31
Shareholders' Equity	$ 197,088,000	$ 162,963,000

GranTree Corporation

2501 S.W. First Avenue
P.O. Box 3210
Portland, Oregon 97208
(503) 223-1161

(Acquired by G Acquisition Corp, a private corporation formed to acquire the Company, on November 10, 1987.)

Officers: Andrew G. Galef, chairman of the board; Peter L. Gartman, chief executive officer & asst. secretary; Gary A. Kisling, president & chief operating officer; William A. Norris, v.p.-finance & treasurer.

Directors: Andrew G. Galef, chairman; Peter L. Gartman, Gary A. Kisling, Arne Kalm, Bruce I. Raben.

Business Activities: Operates 70 rental furniture showrooms and 20 retail furniture stores in nine western and southwestern states and Vancouver, British Columbia, Canada.

Subsidiaries

GranTree Furniture Rental Corp.

Multiform Enterprises, Inc.

Number of Stores: (at fiscal year end)

1987	20	1984	32
1986	29	1983	29
1985	28		

Sales & Earnings

	Revenues +	Net Income
1987	$ 81,320,000	$ (2,859,000)
1986	87,698,000	(5,384,000)
1985	91,088,000	163,000
1984	82,160,000	1,114,000
1983*	74,867,000	1,202,000

	No. of Com. Shares	Earn. per Share #
1987	2,948,000	$ —
1986	2,918,000	—
1985	2,868,000	0.06
1984	2,857,000	0.39
1983*	2,839,000	0.42

(Loss)
* 53 weeks.
# Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1987	$ 13,855,000	$ 4.70
1986	16,437,000	5.63
1985	21,563,000	7.52
1984	21,424,000	7.50
1983	20,648,000	7.20

Income Account * (000's)

Year ended Oct. 31	1987	1986
Furniture rentals & fees	$ 50,982	$ 48,569
Sales of furniture	30,338	39,129
Total revenue	$ 81,320	$ 87,698
Cost of sales	19,088	25,462
Expenses	58,254	59,976
Interest expense	2,245	2,330
Reserve for restruc. costs	5,990	9,395
Loss before taxes	$ (4,257)	$ (9,465)
Tax credit	(1,398)	(4,081)
Net Loss	$ (2,859)	$ (5,384)

* Included in Costs and Expenses, Depreciation and Amortization: $6,878,000 in 1987 and $6,609,000 in 1986.

Assets (000's)

As of Oct. 31	1987	1986
Cash	$ 490	$ 612
Furniture rental receiv., net	1,040	197
*Furniture purch. for sale	4,096	5,257
Rental furniture, net	11,626	12,485
Other curr. assets	1,584	1,771
Current Assets	$ 18,836	$ 20,322
Rental furniture, net	28,799	26,973
#Fixed assets	3,812	5,007
Other assets	2,725	2,531
Total Assets	$ 54,172	$ 54,833

Liabilities (000's)

Long-term debt, curr.	$ 225	$ 176
Accts. payable & other	8,244	6,048
Income taxes	—	383
Restruc. costs	4,122	1,653
Current Liabilities	$ 12,591	$ 8,260
Long-term debt	23,761	23,703
Income taxes	—	968
Restruc. costs	3,965	5,465
+Common stock	305	305
Add. paid-in capital	9,993	9,892
Retained earnings	4,390	7,249
For. curr. trans. adjust.	(415)	(532)
Treasury stock	(398)	(477)
Total Liabilities & Shareholders' Equity	$ 54,172	$ 54,833

* At lower of standard cost (average) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

Debt to Equity	1.77	1.45
Working Capital	$ 6,245,000	$ 12,062,000
Current Ratio	1.50	2.46
Shareholders' Equity	$ 13,855,000	$ 16,437,000

The Great Atlantic & Pacific Tea Company, Inc.

Box 418
2 Paragon Drive
Montvale, New Jersey 07645
(201) 573-9700

(52.4% owned by Tengelmann Warenhandels-Gesellschaft)

Officers: James Wood, chairman of the board & chief exec. officer; Louis Sherwood, president & chief administrative officer; James W. Rowe, vice chairman & asst. to the chief exec. officer; Martin H. Kern, exec. v.p.-gen. merchandise; Eckart C. Sloss, vice chairman-strategic planning; Alan C. Goulding, sr. exec. v.p.-merchandising & distribution; Joseph H. McCarthy, exec. v.p.-store operations; Peter O'Gorman, sr. v.p.-development; Ivan K. Szathmary, sr. v.p. & chief services officer; Robert G. Ulrich, sr. v.p. & general counsel; Randall A. Bostwick, v.p. & president-Super Market Service Corporation; James B. Burmeister, v.p. & president-New Orleans Group; Timothy J. Courtney, v.p.-taxation; H. Nelson Lewis, v.p.-human resources; James L. Madden, v.p. & president-Mid-Atlantic Group; Peter Brooker, v.p.-planning & secretary; Fred Corrado, exec. v.p., treasurer & chief financial officer; Michael J. Rourke, v.p.-communications & corp. affairs; Burton J. Weinbaum, v.p.-Northeast Group; Caryle Sherwin, president-Midwest operations; Edward C. Mosop, chairman-A&P Canada; O. C. Cook, v.p.-meat & service departments; Jack DiFiore, v.p. & president-Fresh Food Markets; Paul Gallant, v.p. & president-Compass Foods; Peter R. Lavoy, v.p.-procurement; Frank Leonard, v.p.-real estate; Joseph Quirk, v.p.-

labor relations; John D. Ryder, v.p.-marketing; Richard J. Scola, v.p. & asst. gen. counsel; Robert W. Toomey, v.p.-support services; J. Paul Stillwell, v.p. & pres.-southern operation; George Graham, v.p.-merchandising coordinator; Michael J. Larkin, v.p.-Metro New York Group; Herbert L. Whiteside, v.p.-Super Fresh of Virginia; Mary Ellen Offer, asst. secretary.

Directors: James Wood, chairman; Harold J. Berry, Walter D. Dance, Rosemarie Beumeister, Eckart C. Sieg, Helga Haub, Christopher F. Edley, James W. Rowe, Paul C. Nagel, Jr., Barbara Barnes Hauptfuhrer, Fritz Teelen, Henry W. Van Bealen, Louis Sherwood.

Business Activities: Operates a chain of supermarkets under the A&P, Super Fresh, Kohl's, Pantry Pride, Dominion Waldbaum's, Shopwell, Food Emporium, Food Mart, Sav-A-Center, Sun, Future Stores, Compass Foods, and Family Mart names in the United States and Canada.

Subsidiaries:

Waldbaum, Inc.
Operates 139 supermarkets in the New York, Connecticut and Massachusetts area.

Shopwell, Inc.
Operates 53 supermarkets in the metropolitan New York area.

Transfer Agent(s):

American Stock Transfer Co.
New York, New York

Stock Exchange(s): New York, Boston°, Cincinnati°, Mid-west°, Philadelphia°, Pacific°

Ticker Symbol: GAP

Number of Stores: (at fiscal year end)

1986	1,200	1983	1,022
1985	1,045	1982	1,055
1984	1,001		

Sales & Earnings

	Net Sales (000's)	Net Income‡ (000's)
1986°	$ 7,834,859	$ 95,010
1985	6,615,422	88,290
1984	5,878,286	215,779
1983	5,222,013	47,551
1982	4,607,817	31,211

	No. of Com. Shares ‡	Earn. per Share ‡ †
1986°	38,017,000	$ 2.50
1985	37,839,000	2.33
1984	37,599,000	5.74
1983	37,455,944	1.27
1982	37,398,884	0.83

° 53 weeks.
† Including extraordinary gains of $26,000,000 ($0.68 per share) in 1986, $32,200,000 ($0.85 per share) in 1985, $165,000,000 ($4.39 per share) in 1984, $16,150,000 ($0.43 per share) in 1983 and $9,850,000 ($0.26 per share) in 1982.
‡ Based on the weighted average number of shares outstanding each year.

Common Stock Equity

	Total Equity	Equity Per Share
1986	$ 755,718,000	$ 19.85
1985	668,688,000	17.63
1984	582,953,000	15.48
1983	375,789,000	10.02
1982	329,372,000	8.81

Income Account° (000's)

Year ended	2/28/87	2/22/86
Net sales	$ 7,834,859	$ 6,615,422
Cost of sales	5,912,746	5,043,440
Expenses	1,762,789	1,452,578
Oper. profit	$ 159,324	$ 119,404
Interest expenses	47,822	40,454
Interest income	(17,908)	(30,140)
Income before taxes	$ 129,410	$ 109,090
Income taxes	60,400	53,000
Net Income	$ 69,010	$ 56,090
Extraordinary credit	26,000	32,200
Net Income & extraord. credit	$ 95,010	$ 88,290

° Included in Costs and Expenses, Depreciation and Amortization: $103,471,000 in 1986 and $83,341,000 in 1985.

Assets (000's)

As of	2/28/87	2/22/86
Cash & short-term invest.	$ 62,068	$ 68,740
Accts. receiv., net	93,522	75,615
°Inventories	703,519	576,717
Prepaid expenses	20,663	21,384
Prop. held for devel. & sale	19,082	14,138
Current Assets	$ 898,854	$ 756,594
#Fixed assets	1,161,829	638,159
Market. secur. & other invest.	—	254,350
Other assets	19,543	14,657
Total Assets	$ 2,080,226	$ 1,663,760

Liabilities (000's)

Long-term debt. curr.	$ 31,159	$ 30,076
Cap. lease oblig., curr.	19,291	12,320
Accts. payable	444,533	332,045
Accrued payroll	109,095	86,669
Accrued taxes	59,466	43,363
Other accruals	141,892	78,030
Curr. Liabilities	$ 805,436	$ 582,503
Long-term debt	196,209	151,306
Deferred inc. taxes	13,455	17,655
Obligations under capital leases	223,933	196,360
Other liabilities	85,475	47,248
+Common stock	38,068	37,939
Add paid-in capital	427,432	424,166
Retained earnings	302,547	222,746
Cum. trans. adjust.	(12,329)	(16,163)
Total Liabilities & Shareholders' Equity	$ 2,080,226	$ 1,663,760

° At lower of cost of market.
Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxs to Sales	1.65	1.65
%Net Income to Sales	0.88	0.85
%Net Income to Equity	9.13	8.39
Sales to Inventories	11.14	11.47
Debt to Equity	0.26	0.58
Working Capital	$ 93,418,000	$ 174,091,000
Current Ratio	1.12	1.30
Shareholders' Equity	$ 755,718,000	$ 668,688,000

Greenman Bros. Inc.

105 Price Parkway
Farmingdale, New York 11735
(516) 293-5300

Officers: Bernard Greenman, chairman of the board; Stanley Greenman, vice chairman, chief exec. officer & treasurer; Stewart Katz, president, chief operating officer & asst. secretary; Marvin Eiser, v.p.-finance, chief financial officer & secretary.

Directors: Bernard Greenman°, Stewart Katz°, Jack Greenman, Stanley Greenman°, Stanley Strocker°, Joshua Biblowitz, Jerry Kassel, Benjamin Zdatny, Alan Chaikin, Howard Kaufman.

° Member of the Executive Committee

Business Activities: Operates a chain of 321 toy specialty stores located in shopping malls in 29 states under the names "Circus World" and "Playland." Also operates four free-standing "Playworld" retail toy stores and six leased toy departments in New York, and three leased "Playworld" toy departments in Michigan. Also engaged in wholesaling of toys, games, hobbycrafts and housewares in New York, New Jersey, Florida, Georgia and Indiana.

Subsidiary:

Circus World Toy Stores, Inc.

Transfer Agent(s):

Manufacturers Hanover Trust Company
4 New York Plaza
New York, New York

Stock Exchange(s): American

Ticker Symbol: GMN

Number of Stores: (at fiscal year end)

1987	334	1984	78
1986	332	1983	52
1985	304		

Sales & Earnings

	Net Sales	Net Income
1988	$ 242,701,000	$ (2,863,000)
1987 x	244,238,000	(3,507,000)
1986 x	218,009,000	7,020,000
1985	172,879,000	7,069,000
1984	117,303,000	3,524,000

	No. of Com. Shares ‡	Earn. per Share ‡
1988	5,994,273	$ —
1987 x	5,968,586	—
1986 x	5,583,169	1.26
1985	4,760,675	1.48
1984	4,959,444	0.71

(Loss)
x Restated to reflect change in accounting for income taxes.
‡ Based on the weighted average number of shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	—	—	—
1987	—	—	5-for-4
1986	—	—	—
1985	—	—	4-for-3 & 5-for-4
1984	—	—	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	$ 51,366,000	$ 8.57
1987 x	54,195,000	9.08
1986 x	57,899,000	10.37
1985	28,717,000	6.03
1984	22,592,000	4.56

x Restated.
‡ Based on the weighted average number of shares outstanding adjusted to reflect stock splits.

Income Account

Year ended	1/30/88	1/31/87 ‡
Net sales	$ 242,701,000	$ 244,238,000
Cost of sales	160,123,000	166,275,000
Expenses	78,858,000	72,783,000
Depreciation & amortization	6,741,000	6,466,000
Interest expense	3,946,000	3,661,000
Restructured operations	—	1,422,000
Loss before taxes	$ (6,967,000)	$ (6,369,000)
Tax credit	(3,055,000)	(2,862,000)
Cum. effect of accntg. change	(1,049,000)	—
Net Loss	$ (2,863,000)	$ (3,507,000)

‡ Restated.

Assets

As of	1/30/88	1/31/87 ‡
Cash	$ 2,011,000	$ 5,513,000
Accts. receiv., net	14,971,000	13,993,000
*Inventories	59,775,000	57,265,000
Recoverable income taxes	2,102,000	2,233,010
Other assets	2,834,000	3,817,000
Current Assets	$ 81,693,000	$ 82,821,000
#Fixed assets	34,716,000	37,626,000
Other assets	3,880,000	3,954,000
Total Assets	$ 120,289,000	$ 124,401,000

Liabilities

Long-term debt, curr.	$ 336,000	$ 522,000
Cap. lease oblig., curr.	40,000	36,000
Accts. payable	29,405,000	35,505,000
Accruals	9,437,000	8,292,000
Curr. Liabilities	$ 39,218,000	$ 44,355,000
Long-term debt	26,000,000	20,468,000
Cap. lease oblig.	936,000	976,000
Def. taxes on income	2,769,000	4,407,000
+ Common stock	602,000	600,000
Add. paid-in capital	25,117,000	25,085,000
Retained earnings	25,852,000	28,715,000
Treasury stock	(205,000)	(205,000)
Total Liabilities & Shareholders' Equity	$ 120,289,000	$ 124,401,000

‡ Restated.
* At lower of cost (LIFO and FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

Sales to Inventories	4.06	4.27
Debt to Equity	0.53	0.41
Working Capital	$ 42,475,000	$ 30,466,000
Current Ratio	2.08	1.87
Shareholders' Equity	$ 51,366,000	$ 54,195,000

Grossman's Inc.

(formerly Evans Products Company)

200 Union Street
Braintree, Massachusetts 02184-2997
(617) 848-0100

Officers: Maurice Grossman, chairman of the board, president & chief executive officer; Stanley G. Berman, exec. v.p.-administration; Everett P. Grossman, exec. v.p.-real estate and development; Robert L. Harrow, exec. v.p. & president-Eastern region; Sidney L. Katz, exec. v.p., chief financial officer & treasurer; Frank J. Lynch, exec. v.p. & gen. mgr.-Southwest Division; Robert S. Pacos, exec. v.p. & gen. mgr.-Northwest Division; Joseph J. Vaeth, exec. v.p. & president-Western region; Richard L. Dawley, v.p. & controller; Robert L. Flowers, v.p.-real estate; Richard E. Kent, v.p., secretary & general counsel; Arthur S. Ryan, director-corp. taxes.

Directors: Maurice Grossman, chairman of the board; Russell Cox, John Grey, Leo Kahn, Thomas M. Macioce, Robert Swanson, Harold Tanner, Alan Washkowitz, Abraham Zaleznik.

Business Activities
Operates 258 home improvement stores in 18 states under the names "Grossman's" and "Moore's." More than half of the Company's stores are located in the Northeast.

Transfer Agent(s):

Morgan Shareholder Services Trust Company
30 West Broadway
New York, New York 10007-1815

Stock Exchange(s): Over-the-Counter

Ticker Symbol: GROS (NASDAQ)

Number of Stores: (at fiscal year end)

1987	258	1984	306
1986	272	1983	302
1985	276		

Sales & Earnings

	Net Sales +	Net Income +
1987	$ 1,077,297,000	$ 17,840,000
1986	1,006,664,000	152,137,000
1985	873,587,000	(232,807,000)
1984	939,022,000	(31,188,000)
1983	709,910,000	(63,875,000)

	No. of Com. Shares	Earn. per Share ‡ †
1987	26,131,000	$ 0.79
1986	20,000,000	7.61
1985	13,809,000	—
1984	13,809,000	—
1983	13,699,000	—

(Loss)
+ Of continuing operations only.
† Including extraordinary gains of $5,718,000 ($0.26 per share) in 1987 and $224,778,000 ($11.24 per share) in 1986.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1987	$ 88,153,000	$ 3.37
1986	25,221,000	1.26
1985	(128,378,000) ‡	—
1984	105,533,000 ‡	7.64
1983	142,456,000 ‡	10.32

(Deficiency)
‡ After allowing for preferred stock at stated value.

Income Account
(000's)

Year ended	1987	1986
Net sales	$ 1,077,297	$ 1,006,664
Cost of sales	760,676	715,315
Expenses	267,628	254,626
Depreciation & amortization	8,939	7,147
Interest expense	26,131	29,177
Interest income	(8,001)	(5,394)
Income before taxes	$ 21,924	$ 5,793
Income taxes	9,802	2,867
Income from cont. oper.	$ 12,122	$ 2,926
Loss from discont. oper.	—	(75,567)
Net Income (Loss)	$ 12,122	$ (72,641)
Extraord. gain	5,718	224,778
Net Income & extraord. gain	$ 17,840	$ 152,137

Assets
(000's)

As of Dec. 31	1987	1986
Cash	$ 54,386	$ 38,159
Accts. receiv., net	48,648	56,795
*Inventories	155,964	146,279
Restricted assets	—	15,869
Other curr. assets	3,877	7,891
Current Assets	$ 262,875	$ 264,993
#Fixed Assets	115,922	98,640
Total Assets	$ 378,797	$ 363,633

Liabilities
(000's)

Long-term debt, curr.	$ 16,680	$ 17,613
Accts. payable & accruals	102,708	80,727
Accrued interest	6,178	6,593
Chap. XI distrib. pay.	5,112	23,120
Curr. Liabilities	$ 130,678	$ 128,053
Long-term debt	159,966	210,359
+Common stock	261	200
Add. paid-in capital	155,831	110,800
Retained earnings (deficit)	(67,939)	(85,779)
Total Liabilities & Shareholders' Equity	$ 378,797	$ 363,633

* At lower of cost (average) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	2.04	—
%Net Income to Sales	1.13	—
%Net Income to Equity	13.75	—
Sales to Inventories	6.91	6.88
Debt to Equity	2.00	9.04
Working Capital	$ 132,197,000	$ 136,930,000
Current Ratio	2.01	2.07
Shareholders' Equity	$ 88,153,000	$ 25,221,000

Hancock Fabrics, Inc.

3406 West Main Street
Tupelo, Mississippi 38801
(601) 842-2834

Mailing address:
P.O. Box 2400
Tupelo, Mississippi 38803-2400

Officers: Morris O. Jarvis, chairman, chief exec. officer & president; Donald L. Richey, exec. v.p.; Robert C. Moore, sr. v.p., chief financial officer & secretary; Dean W. Abraham, v.p. & operations manager; Jack W. Busby, Jr., v.p. & operations manager; Billy M. Morgan, v.p. & operations manager; David H. Jensen, v.p.-personnel; Larry G. Kirk, v.p. & controller; R. Brock Pope, v.p. & warehouse notions operations mgr.; William D. Smothers, v.p.-real estate; Charles R. Warren, v.p. & warehouse fabric operations mgr.; Carl W. Zander, v.p. & head fabrics buyer.

Directors: Morris O. Jarvis, chairman; Don L. Fruge, Ivan Gwen, Donald L. Richey, Donna L. Weaver.

Business Activities: Operates 346 retail fabric stores in 29 states under the names "Hancock Fabrics," "Minnesota Fabrics," "Fabric Warehouse" and "Fabric Market." Also engages in the wholesale distribution of fabrics, crafts, and related home-sewing accessories.

Transfer Agent(s):

Citizens and Southern Trust Company, N.A.
33 North Avenue
Atlanta, Georgia 30308

Stock Exchange(s): New York

Ticker Symbol: HKF

Number of Stores: (at fiscal year end)

1988	346	1987	305

NOTE: Hancock Fabrics became a publicly owned company as the result of the distribution of its common stock to the stockholders of Lucky Stores on May 4, 1987. The pro forma information is shown to reflect net earnings per share as if the recapitalization of Hancock Fabrics had taken place at the beginning of each period and as if Hancock Fabrics had been a stand alone entity.

Sales & Earnings

	Net Sales	Net Income
1987	$ 297,979,000	$ 20,785,000
1986	289,940,000	23,466,000
1985	281,643,000	18,567,000
1984*	169,503,000	15,748,000
1983	161,978,000	14,322,000

	No. of Com. Shares +	Earn. per Share + ‡
1987	12,758,000	$ 1.53
	12,860,000	1.49
	12,758,000	—

* 53 weeks
+ Pro forma.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1987	$ 88,864,000	$ 6.97
1986	167,918,000	13.06
1985	144,452,000	11.32
1984	125,885,000	—
1983	110,137,000	—

Income Account
(000's)

Year ended	1/31/88	2/1/87
Net sales	$ 297,979	$ 289,940
Cost of sales	157,959	149,854
Expenses	100,904	95,030
Depreciation & amortization	3,361	3,319
Interest expense	2,632	908
Interest income	(1,808)	(4,862)
Income before taxes	$ 34,931	$ 45,691
Income taxes	14,146	22,225
Net Income	$ 20,785	$ 23,466

Assets
(000's)

As of	1/31/88	2/1/87
Cash	$ 16,153	$ 74,932
Accts. receiv., net	3,306	4,671
*Inventories	129,571	116,364
Prepaid expenses	735	2,269
Current Assets	$ 149,765	$ 198,236
Notes receivable	1,251	2,190
#Fixed assets	18,073	19,598
Other assets	196	662
Total Assets	$ 169,285	$ 220,686

Liabilities
(000's)

Long-term debt & cap. lease oblig., curr	$ 325	$ 356
Accts. payable	24,775	24,077
Accruals	9,227	8,982
Income taxes	161	12,160
Deferred income taxes	2,140	2,560
Curr. Liabilities	$ 36,628	$ 48,135
Long-term debt	40,036	80
Cap. lease oblig.	1,371	1,652
Deferred inc. taxes	1,470	1,235
Other liabilities	916	1,666
+Common stock	128	400
Add. paid-in capital	1,286	1,014
Retained earnings	88,829	166,504
Treasury stock	(1,379)	—
Total Liabilities & Shareholders' Equity	$ 169,285	$ 220,686

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	11.72	15.76
%Net Income to Sales	6.98	8.09
%Net Income to Equity	23.29	13.97
Sales to Inventories	2.30	2.49
Debt to Equity	0.47	0.01
Working Capital	$ 133,137,000	$ 150,101,000
Current Ratio	4.09	4.12
Shareholders' Equity	$ 88,864,000	$ 167,918,000

Hannaford Bros. Co.

145 Pleasant Hill Road
Scarborough, Maine 04074
(207) 883-2911

Mailing Address:
P.O. Box 1000
Portland, Maine 04104

Officers: James L. Moody, Jr., chairman of the board & chief executive officer; Hugh G. Farrington, president & chief operating officer; Roger W. Hoyt, sr. v.p.-retail operations; Everett F. Johnson, v.p.-government relations & administrative services; Virgil E. Beane, v.p.-distribution; Norman E. Brackett, v.p.-management services; Gerard J. Geant, v.p.-corp. development; Andrew P. Geoghegan, v.p. & general counsel; Larry A. Plotkin, v.p.-Wellby Super Drug Stores; James J. Jermana, v.p.-merchandising; Robert E. Dunton, v.p.-general merchandise; Katherine M. Greenleaf, v.p.-human resources; John J. Russell, sr. v.p.-finance; Albert F. Carville, Jr., v.p.-technical services; Robert F. Wade, treasurer; Robert B. Williamson, Jr., secretary & clerk; Charles H. Crockett, asst. secretary; Peter B. Webster, asst. secretary.

Directors: William D. Ireland, Jr.*, David F. Sobey*, James L. Moody, Jr.*, Florence C. Petrlik, John J. Russell*, Walter J. Salmon.*, William A. Andres, Dunane Peters, Hugh G. Farrington*, William T. End, Robert D. Bolinder, James W. Gogas.

* Member of the Executive Committee

Business Activities: Sells food and non-food items through 65 Shop'n Save, Sun Foods or Martin's supermarkets in Maine, New Hampshire, Vermont and upstate New York, 53 are wholly-owned, 12 are majority-owned. Operates 35 wholly-owned Wellby Super Drug Stores and 13 separate pharmacies within supermarkets or combination stores. Owns a wholesale distributor of specialty foods, general merchandise, pharmaceuticals and health and beauty aids.

Subsidiaries:

The Sampson Supermarkets, Inc.
Sun Foods, Inc.
Cottle's Shop'n Save, Inc.
Shop-Rite Supermarkets, Inc. (51% owned)
Shop'n Save Inc.
Analytical Services, Inc.
Wellby Super Drug Stores, Inc.
South Paris Shop N'Save, Inc. (51% owned)
Hampden Food Stores (51% owned)
Martin's Food of South Burlington, Inc.
Guy's Super Markets, Inc. (51% owned)
Progressive Distributors, Inc. (51% owned)
Hanbro, Inc.
Hannaford Properties, Inc.
Reece Development, Inc.
Shop'n Save Realty, Inc.
Hannaford Trucking Company
Second Hannaford Properties, Inc.
Third Hannaford Properties, Inc.
MB-Save, Inc.
Shopping Center Properties, Inc.
Warehouse Properties, Inc.
Reece Development, Inc. (Me.)
Plain Street Properties, Inc.
Mr. B's Enterprises
MB-Super, Inc.
MB-Food, Inc.
MB-Mass., Inc.
MB-New York, Inc.

Transfer Agent(s):

The First National Bank of Boston
Boston, Massachusetts

Stock Exchange(s): New York

Ticker Symbol: HRD

Number of Stores: (at fiscal year end)

1987	100	1984	98
1986	102	1983	96
1985	101		

Sales & Earnings

	Net Sales (000's)	Net Income (000's)
1987	$ 1,033,418	$ 24,083
1986*	910,202	18,817
1985	816,775	14,399
1984	713,637	11,346
1983	628,565	9,642

	No. of Com. Shares ‡	Earn. per Share ‡
1987	9,259,000	$ 2.60
1986*	9,179,000	2.05
1985	8,295,000	1.74
1984	7,994,000	1.42
1983	7,491,000	1.29

* 53 weeks.
‡ Based on the weighted averaged number of shares outstanding adjusted to reflect stock dividends.

Common Stock

	Cash Dividend †	Stock Dividend	Stock Split
1987	$ 0.560	—	—
1986	0.500	—	—
1985	0.477	50%	—
1984	0.389	50%	—
1983	0.355	—	—

† Adjusted to reflect stock dividends.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	$ 140,070,016	$ 15.07
1986	119,800,819	13.00
1985	104,508,772	11.43
1984	71,963,247	8.94
1983	63,103,644	7.91

‡ Adjusted to reflect stock dividends.

Income Account *

Year ended	1/2/88	1/3/87 (53 weeks)
Net sales	$ 1,033,418,351	$ 910,202,154
Cost of sales	761,666,412	675,244,885
Expenses	221,298,423	190,694,834
Interest expenses	$ 5,393,589	3,397,616
Income before taxes	$ 45,059,927	$ 38,864,819
Income taxes	20,274,091	19,386,420
Minority interest	702,722	661,495
Net Income	$ 24,083,114	$ 18,816,904

* Included in Costs and Expenses, Depreciation and Amortization: $18,154,258 in 1987 and $15,057,332 in 1986.

Assets

As of	1/2/88	1/3/87
Cash & cash items	$ 6,256,393	$ 6,372,487
Notes & accts. receiv.	7,404,352	4,318,297
*Inventories	74,667,202	64,076,219
Prepaid expenses	1,890,146	2,097,171
Deferred inc. taxes	830,000	551,000
Current Assets	$ 91,048,093	$ 77,415,174
#Fixed assets	178,232,317	143,384,467
Oblig. under cap. lease	14,404,972	15,764,631
Investments	4,811,352	4,671,258
Other assets	15,922,373	12,356,538
Total Assets	$ 304,419,107	$ 253,592,068

Liabilities

Short-term borrowing	$ —	$ 4,500,000
Long-term debt, curr.	2,574,149	2,090,077
Accts. payable	42,586,560	31,782,938
Accruals	17,744,275	14,246,902
Income taxes	907,572	3,136,086
Oblig. under cap. lease, curr.	1,069,333	985,949
Curr. Liabilities	$ 64,881,889	$ 56,741,952
Long-term debt	52,373,381	34,887,244
Oblig. under cap. lease	19,005,610	20,068,141
Deferred credit	20,683,086	15,316,785
Minority interest	7,405,125	6,777,127
+Common stock	6,969,659	6,912,452
Add. paid-in capital	45,006,119	43,688,994
Retained earnings	88,094,238	69,199,373
Total Liabilities & Shareholders' Equity	$ 304,419,107	$ 253,592,068

* At lower of cost (FIFO) or market; groceries and cost (LIFO).
# Less accumulated depreciation.
+ $0.75 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.36	4.32
%Net Income to Sales	2.33	2.09
%Net Income to Equity	17.19	15.71
Sales to Inventories	13.84	14.03
Debt to Equity	0.54	0.52
Working Capital	$ 26,166,204	$ 20,673,222
Current Ratio	1.40	1.36
Shareholders' Equity	$ 140,070,016	$ 119,800,819

Hanson Plc

1 Grosvenor Place
London, SW1X 7JH, England
(01) 245-1245

Directors: Lord Hanson, chairman; D. N. Rosling, vice chairman; B. A. Hellings, A. Hagdrup, M. G. Taylor, A. G. L. Alexander, C. G. F. Harding, J. H. Pattinson, D. C. Bonham, Sir Gordon Booth, E. D. Collins, H. G. Ashton, D. H. Clarke, associate director; A. R. Cotton, associate director; P. J. Harper, associate director; J. C. Miller, associate director; R. S. Fulford, associate director.

Business Activities: In the retail area, the Company operates Allders Department Stores in the United Kingdom, approximately 400 Endicott Johnson shoe stores across the United States, duty- and tax-free shops at airports in Canada and Australia, and 194 Ground Round restaurants in the United States. In addition, through its subsidiaries in the United Kingdom and United States, the Company manufactures portable electronic typewriters and word processors, incandescent and fluorescent lighting fixtures, jacuzzis, hydraulic cranes, automotive heats and air-conditioning systems, domestic credit gas meters, living flame gas fires and gas fired wall heaters, wiring accessories and circuit breakers, dry cell batteries; moulded components, custom machined parts, and powdered metals and specialty materials, all for the automotive industry; production equipment for the oil and gas industries, cement, textile products, footwear, tobacco, bricks, lumber, woodwindows and doors, garden and industrial tools, office furniture, metal snap fasteners, paper forms and supplies, pre-engineered metal buildings, food products, and titanium dioxide, a white pigment used in the manufacture of a variety of products.

Subsidiaries:

CONSUMER - U.K.

Imperial Tobacco Limited
P.O. Box 244
Hartcliffe, Bristol BS99 7UJ
(0272) 781111
Cigarettes, cigars, pipe and hand-rolling tobacco.

British Ever Ready Limited
93 Burleigh Gardens
Southgate, London N14 5AQ
(01) 882-8661
Dry cell batteries.

Allders Limited
84 Southampton Road
Eastleigh, Hants
(0703) 644599
Operates department stores and duty- and tax-free shops.

CONSUMER -U.S.A.

Carisbrook Industries Inc. (Yarn)
1114 Avenue of the Americas
New York, New York 10036
(212) 398-1180
Yarns, soft furnishings and apparel.

Carisbrook Industries Inc. (Fabric)
1185 Avenue of the Americas
New York, New York 10036
(212) 536-0200
Specialty fabrics and textile finishing machinery.

Smith Corona Corporation
65 Locust Avenue
New Canaan, Connecticut 06840
(203) 972-1471
Portable typewriters and word processors.

Endicott Johnson Corporation
1100 East Main Street
Endicott, New York 13760
(607) 757-4000
Manufactures and retails a wide range of footwear.

BUILDING PRODUCTS - U.K.

London Brick Company Limited
Marston Road, Marston Morteyne
Bedford MK43 OPP
(0525) 405858
Fletton bricks.

Butterley Brick Limited
Wellington Street
Ripley, Derby DE5 3DZ
(0773) 570570
Non-fletton bricks.

BUILDING PRODUCTS - U.S.A.

USI Lighting Inc.
1251 Doolittle Drive
San Leandro, California 94577
(415) 562-3500
Fluorescent and incandescent lighting products.

Kaiser Cement Corporation
350 Lakeside Drive
Oakland, California 94612
(415) 271-2000
Cement and aggregate products.

Hanson Building Products
Camden and Broadway Avenues
Parkersburg, West Virginia 26101
(304) 424-3000
Windows, building materials, garden and industrial hand tools.

INDUSTRIAL - U.K.

Lindustries Limited
Southgate House
Stevenage, Herts SG1 1HG
(0438) 365461
Electrical, automotive, engineering and gas products.

SLD/Barbour Campbell
Southgate House
Stevenage, Herts SG1 1HG
(0438) 728387
Textile products and construction services.

INDUSTRIAL - U.S.A.

Office Group America
114 Churchill Avenue, N.W.
Leeds, Alabama 35094
(205) 699-5181
Office furniture.

Allied Paper Products Inc.
2 Prestige Place, Suite 360
Miamisburg, Ohio 45342
(513) 439-2669
Paper products.

SCM Chemical Inc.
7 Saint Paul Street, Suite 1010
Baltimore, Maryland 21202
(301) 783-1120
Pigments and related chemicals.

SCM Chemicals Limited (UK)
P.O. Box 26, Grimsby
South Humberside DN37 8DP
(0469) 571000
Pigments.

FOOD - U.K.

Imperial Food Limited
22 Stewartby Way
Stewartby, Bedford MK43 9LZ
(0234) 76833
Frozen foods, sauces, confectionery and health products.

FOOD - U.S.A.

Hygrade Food Products Corporation
26877 Northwestern Highway, Suite 400
Southfield, Michigan 48034
(313) 355-1100
Processed meats.

Durkee Foods Corporation
925 Euclid Avenue
Cleveland, Ohio 44115
(216) 344-8500
Industrial foods and spices and food services.

Ground Round Inc.
541 Main Street
South Weymouth, Massachusetts 02910-1898
(617) 331-7005
Family restaurants.

Acquisition(s):

Kidde, Inc.
Park 80 West-Plaza Two
Saddle Brook, New Jersey 07662
(201) 368-9000
Consumer and recreation products include Progress lighting fixtures, Farberware cookware and electric appliances, Spartus clocks, Rexair home cleaning systems, Tucker plastic housewares, Jacuzzi whirlpool baths, spas and water sytems, Spaulding and Kim architectural lighting products, Ertl diecast miniature vehicle toys and plastic model kits. Bear archery and camping equipment, universal physical conditioning equipment, PGA/Tommy Armour golf clubs and accessories and Valley pool tables. Security and protection equipment include Kidde and Fenwal fire protection, Kidde Automated Systems engineered security and energy management systems, and Globe Security uniformed guard services. Industrial and commercial products and services include Weber aircraft interior equipment, Jade robotics and semiconductor industry products, Grove mobile hydraulic cranes, Craig electronic equipment shelters, Garden State Tanning automotive leather, Theurer truck trailers, Victory Temporary Services and Professional Nurses Bureau temporary help, and New Jersey Office Supply, Bayless, Scott Rice and Ross Martin office equipment, supplies and forms.

Transfer Agent(s):*

Citibank, N.A.
153 East 53rd Street
New York, New York 10043
* American Depositary Receipt

Stock Exchange(s): London, New York*, Zurich, Basel, Geneva, Paris

Ticker Symbol: HAN (New York)* *Trades as an American Depositary Receipt (ADR). Each ADR represent 5 Hanson ordinary shares.

Sales & Earnings

	Net Sales (000's)	Net Income † + (000's)
1987	£ 6,682,000	£ 741,000
1986	4,312,000	464,000
1985	2,674,000	253,000
1984	2,382,000	169,000
1983	1,484,000	91,000

	No. of Com. Shares ‡	Earn. per Share ‡ #
1987	3,577,232,668	14.0p
1986	N.A.	10.7
1985	N.A.	7.9
1984	N.A.	5.7
1983	N.A.	3.5

£ -- pound sterling.
N.A. - Not Available.
† Before taxes.
+ Including extraordinary gain of £ 5,000,000 in 1986.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.
# Fully diluted.

Revenues by Line of Business
(000's)

	1987	1986
U.K.:		
Consumer	£ 3,370,000	£ 1,614,000
Bldg. products	246,000	239,000
Industrial	387,000	310,000
Food	623,000	269,000
U.S.A.:		
Consumer	528,000	530,000
Bldg. products	500,000	423,000
Industrial	620,000	522,000
Food	408,000	339,000
Discontinued operations	—	66,000
Total	£ 6,682,000	£ 4,312,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	4.40p	—	—
1986	3.19	—	—

Common Stock Equity

	Total Equity (000's)	Equity Per Share ‡
1987	£ 1,879,000	52.5p
1986	1,588,000	—
1985	1,125,000	—
1984	411,000	—
1983	429,000	—

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account
(000's)

Year ended Sept. 30	1987	1986
Net sales	£ 6,682,000	£ 4,312,000
Changes in inventories	12,000	71,000
Raw materials	4,243,000	2,413,000
Employment costs	911,000	740,000
Depreciation	105,000	73,000
Other charges	767,000	592,000
Share of profits of rel. cos.	(7,000)	(5,000)
Interest expense	300,000	250,000
Interest income	(390,000)	(286,000)
Income before taxes	£ 741,000	£ 464,000
Income taxes	169,000	104,000
Net income	£ 572,000	£ 360,000
Extraord. gain	—	5,000
Net income & extraord. gain	£ 572,000	£ 365,000

Assets
(000's)

As of Sept. 30	1987	1986
Cash	£ 2,980,000	£ 1,623,000
*Stocks	832,000	913,000
Debtors	1,123,000	960,000
Listed investments	79,000	123,000
Assets under contract for sale	—	1,932,000
Current Assets	£ 5,014,000	£ 5,551,000
Investments	178,000	40,000
#Fixed assets	1,183,000	1,074,000
Total Assets	£ 6,375,000	£ 6,665,000

Liabilities
(000's)

	1987	1986
Debenture loans	£ 109,000	£ 246,000
Bank loans & overdrafts	574,000	941,000
Trade creditors	353,000	379,000
Other creditors	935,000	839,000
Dividends	112,000	81,000
Curr. Liabilities	£ 2,083,000	£ 2,486,000
Convertible loans	1,073,000	1,075,000
Debenture loans	256,000	281,000
Bank loans	398,000	616,000
Provisions for liabilities	686,000	619,000
+Preferred stock	149,000	149,000
++Common stock	894,000	665,000
Add. paid-in capital	25,000	244,000
Revaluation reserve	17,000	13,000
Retained earnings	794,000	517,000
Total Liabilities & Shareholders' Equity	£ 6,375,000	£ 6,665,000

* At lower of cost (FIFO) and net realizable value.
# Less accumulated depreciation.
+ 25p par value.
++ £ 1 par value; 5.75% convertible cumulative redeemable.

Statistical Summary

%Income bef. Taxes to Sales	11.09	10.76
%Net Income to Sales	8.56	8.35
%Net Income to Equity	30.44	22.67
Sales to Inventories	8.03	4.72
Debt to Equity	1.28	1.99
Working Capital	£2,931,000,000	£3,065,000,000
Current Ratio	2.41	2.23
Shareholders' Equity	£1,879,000,000	£1,588,000,000

Harold's Stores, Inc.

P.O. Drawer 2970
765 Asp
Norman, Oklahoma 73070
(405) 329-4045

Officers: Harold G. Powell, chairman of the board & chief executive officer; Rebecca Powell Casey, vice chairman; Bernard H. Newberg, president & chief operating officer; H. Rainey Powell, exec. v.p., chief financial officer, treasurer & secretary; Rebecca Bridston, v.p.-personnel & stores; Cynthia Foor, v.p.-operations; Janet Ferguson, v.p.-ladies' merchandise; Christopher Merritt, v.p.-men's merchandise; Kenneth C. Row, v.p.-advertising.

Directors: Harold G. Powell, chairman; Rebecca Powell Casey, Bernard H. Newberg, H. Rainey Powell, Gary Rawlinson, James R. Agar, Robert A. Shuey, III, Lisa Powell Hunt.

Business Activities: Operates 11 Harold's women's clothing stores, six Harold's men's clothing stores and two Old School Clothing Company stores in Oklahoma, Texas, Mississippi, Southern California and Maryland. These stores offer private label and branded lines of classicly styled apparel.

Transfer Agent(s):

The Liberty Bank & Trust of Oklahoma City
Oklahoma City, Oklahoma

Stock Exchange(s): Over-the-Counter

Ticker Symbol: HRLD (NASDAQ)

Number of Stores:

1988	19	1986	15
1987	15		

Sales & Earnings

	Net Sales	Net Income
1988	$ 23,379,000	$ 379,000
1987	22,883,000	1,112,000
1986	21,274,000	467,000
1985	20,368,000	411,000
1984	17,809,000	654,000

	No. of Com. Shares ‡	Earn. per Share ‡
1988	2,630,000	$ 0.14
1987	2,334,000	0.48
1986	2,333,000	0.20
1985	2,333,000	0.18
1984	2,323,000	0.28

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	$ 11,978,000	$ 4.55
1987	6,793,000	2.91
1986	5,678,000	2.43
1985	5,211,000	2.23
1984	4,800,000	2.07

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended Jan. 31	1988	1987
Net sales	$ 23,379,000	$ 22,883,000
Cost of sales	13,504,000	12,682,000
Fin. charge revenue	(387,000)	(390,000)
Expenses	9,597,000	8,628,000
Interest expense	153,000	122,000
Other income	(93,000)	(76,000)
Non-oper. exp. (inc.)	(52,000)	108,000
Income before taxes	$ 657,000	$ 1,809,000
Income taxes	278,000	697,000
Net income	$ 379,000	$ 1,112,000

* Included in Costs and Expenses, Depreciation and Amortization: $445,000 in 1988 and $409,000 in 1987.

Assets

As of Jan. 31	1988	1987
Cash	$ 807,000	$ 1,293,000
Marketable securities	1,766,000	—
Accts. receiv., net	2,564,000	2,714,000
Refundable taxes	363,000	150,000
*Inventories	4,350,000	3,858,000
Prepaid expenses	514,000	263,000
Def. inc. taxes	46,000	—
Current Assets	$ 10,410,000	$ 8,278,000
@ Fixed assets	3,378,000	2,192,000
Other assets	239,000	129,000
Total Assets	$ 14,027,000	$ 10,599,000

Liabilities

Notes payable	$ —	$ 904,000
Long-term debt, curr.	3,000	73,000
Accts. payable	1,107,000	1,158,000
Redeem. gift certif.	212,000	165,000
Accrued payroll	192,000	400,000
Accrued rent	255,000	123,000
Other accruals	29,000	70,000
Curr. Liabilities	$ 1,798,000	$ 2,893,000
Long-term debt	14,000	584,000
Deferred inc. taxes	237,000	329,000
++Common stock	30,000	23,000
Add. paid-in capital	5,072,000	274,000
Retained earnings	6,876,000	6,497,000
Treasury stock	—	(1,000)
Total Liabilities & Shareholders' Equity	$ 14,027,000	$ 10,599,000

* At lower of cost (FIFO) or market.
@ Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	2.81	7.91
%Net Income to Sales	1.62	4.86
%Net Income to Equity	3.16	16.37
Sales to Inventories	5.37	5.93
Debt to Equity	—	0.23
Working Capital	$ 8,612,000	$ 5,385,000
Current Ratio	5.79	2.86
Shareholders' Equity	$ 11,978,000	$ 6,793,000

Hartmarx Corporation

(formerly Hart Schaffner & Marx)

101 North Wacker Drive
Chicago, Illinois 60606
(312) 372-6300

Officers: John R. Meinert, chairman & chief administrative officer; Elbert O. Hand, president & chief operating officer; Harvey Weinberg, vice chairman & chief exec. officer; Jerome Dorf, sr. v.p. & chief financial officer; Frank A. Brenner, v.p.-marketing services; Ralph Kaufmann, v.p.-licensing; James E. Condon, v.p. & treasurer; Sherman D. Rosen, v.p.-human resources; Guy Gunzberg, v.p.-information systems; Glenn R. Morgan, v.p. & controller; Carey M. Stein, v.p., secretary & gen. counsel.

Directors: Jerome S. Gore*, John R. Meinert, Donald P. Jacobs*, Raymond F. Farley*, Sam F. Segnar*, Burton B. Ruby*, Charles Marshall*, A. Robert Abboud*, James E. Devitt*, Harvey A. Weinberg, Elbert O. Hand, Letitia Baldrige*.

* Member of the Executive Committee

Business Activities: Designs and manufactures a wide variety of men's and women's apparel. The Company's retail activities consist of the following: Hartmarx Specialty Stores, Inc. operates 233 high quality apparel specialty stores catering to business and professional men and women across the country under such names as Wallachs, Baskin, Hastings, Jas. K. Wilson, Silverwoods, and F. R. Tripler. Kuppenheimer is a direct to consumer retailer of popular-priced suits, sportcoats and slacks which are sold through its own 104 retail stores. Country Miss operates 88 women's apparel outlets under the name Old Mill Stores. The Company also operates its Sansabelt Clothing stores.

Divisions and Subsidiaries:

Hartmarx Specialty Stores, Inc.

Baskin
Chicago, Rockford, Champaign-Urbana, Illinois; Madison, Wisconsin, Fort Wayne, Indiana.

Ray Beers
Topeka, Kansas

Capper & Capper, Ltd.
Chicago, Illinois
Detroit, Michigan

Field Bros.
New York, New York

Arthur Frank
Salt Lake City, Utah

Frank Bros.
San Antonio, Texas

Hanny's
Phoenix, Arizona

Antons
Detroit, Michigan

Hastings
San Francisco, Oakland, San Jose & Monterey, California.

Jack Henry
Kansas City, Missouri

Heyward-Mahon
Greenville, South Carolina

J. O. Jones
Charlotte & Raleigh, North Carolina.

Kleinhans
Buffalo, New York

Klopfenstein's
Seattle & Tacoma, Washington; Portland, Eugene, Salem, Oregon; Anchorage, Alaska.

Leopold, Price & Rolle
Houston, Texas

Levy-Wolf
Jacksonville, Florida

Liemandt's
Minneapolis & St. Paul, Minnesota

Littlers
Seattle, Washington

Merritt Schaefer & Brown
Austin, Texas

Porter Stevens
New Orleans, Louisiana

Root's
Summit & Red Bank, New Jersey

Shulman's
Norfolk & Hampton, Virginia

Silverwoods
Los Angeles, Santa Barbara, Palm Springs, & Anaheim, California; Las Vegas, Nevada.

Stevens
Jackson, Mississippi

F. R. Tripler & Co.
New York, New York

Walkers
Columbus, Akron, Canton & Dayton, Ohio

Wallachs
New York, Connecticut, Massachusetts, New Jersey, Rhode Island & New Hampshire

Wallachs of Florida
Miami, Ft. Lauderdale, Boca Raton & Pompano Beach, Florida.

Jas. K. Wilson
Dallas & Fort Worth, Texas

Wolf Bros.
Tampa, St. Petersburg, Ft. Myers & Bradenton, Florida

Zachry
Savannah, Atlanta, Georgia; Montgomery, Alabama, Asheville, North Carolina

deJong's
Evansville, Indiana

Peer Gordon
Ohio

Barric Pace Ltd.
Massachusetts

Robert's (49% owned)
Mexico City, Mexico

Manufacturing Group

Austin Reed of Regent Street
Christian Dior
Society Brand Ltd.
Graham & Gunn Ltd.
Fashionaire Apparel, Inc.
Hart Schaffner & Marx Clothes
Jack Nicklaus
Henry Grethel Apparel
Sterling & Hunt

all located at:
101 North Wacker Drive
Chicago, Illinois 60606
Plants located: Marseilles, Chicago (3) and Rock Island (2) Illinois; Cape Girardeau & Chaffee, Missouri; Rochester, N.Y.; Michigan City, Indiana

Hickey-Freeman Co., Inc.
1155 Clinton Avenue, North
Rochester, New York 14621
Plants located: Rochester and Buffalo, New York

Johnny Carson Apparel, Inc.
2020 Elmwood Avenue
Buffalo, New York 14207

Jaymar-Ruby, Inc.
5000 South Ohio Street
Michigan City, Indiana 46360
Plants located: Michigan City (5) and East Chicago, Indiana; Anniston, Alabama; Elizabethtown, Kentucky; Rector, Arkansas.

Country Miss, Inc. (92% owned)
Tatamy & Kesslersville Road
P.O. Box 769
Easton, Pennsylvania 18042
Plants located: Easton, Pennsylvania; Glasgow, Kentucky; Bristol, Virginia; Cooksville, Tennessee; Waterboro, South Carolina.

Intercontinental Branded Apparel, Inc.
888 7th Avenue
New York, New York 10019

Gleneagles, Inc.
908 Gleneagles Court
Baltimore, Maryland 21204
Plants located: Baltimore (3), Maryland

Thorngate Uniforms, Inc.
2 DeKalb Street
Norristown, Pennsylvania 19401

Traditional Apparel Group

Yorke Shirtmakers

H. Oritsky

Briar, Inc.
California-based manufacturer of men's ties and related jewelry.

Transfer Agent(s):

The First National Bank of Chicago
Chicago, Illinois 60670

Stock Exchange(s): New York, Midwest

Ticker Symbol: HSM

Number of Stores: (at fiscal year end)

1987	440	1984	453
1986	440	1983	400
1985	467		

Sales & Earnings

	Net Sales	Net Income
1987	$1,080,430,000	$ 41,265,000
1986	1,063,011,000	24,775,000
1985	1,109,537,000	42,660,000
1984	1,070,830,000	41,735,000
1983	961,846,000	37,615,000

	No. of Com. Shares +	Earn. per Share ‡
1987	18,833,058	2.01
1986	20,396,213	1.20
1985	18,883,002	2.25
1984	18,590,406	2.24
1983	18,357,936	2.03

+ Adjusted to reflect stock splits.
‡ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Revenues by Line of Business

	1987	1986	1985	1984
Retail store division	46%	46%	57%	57%
Manufacturing division	54	54	43	43
Total	100%	100%	100%	100%

Common Stock

	Cash Dividend+	Stock Dividend	Stock Split
1987	$ 0.98	—	—
1986	0.90 1/3	—	3-for-2
1985	0.83 1/3	—	—
1984	0.76 2/3	—	—
1983	0.60 7/9	—	3-for-2

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share †
1987	$ 343,934,000	$ 18.26
1986	338,718,000	17.59
1985	332,412,000	17.61
1984	301,891,000	16.24
1983	271,703,000	14.80

† Adjusted to reflect stock splits.

Income Account *
(000's)

Year ended Nov. 30	1987	1986
Net sales	$ 1,080,430	$ 1,063,011
Other income	12,564	13,616
Total income	$ 1,092,984	$ 1,076,627
Cost of sales	634,433	628,036
Expenses	378,791	391,652
Interest expense	7,715	9,414
Income before taxes	$ 72,045	$ 47,525
Income taxes	30,780	22,750
Net Income	$ 41,265	$ 24,775

* Included in Costs and Expenses, Depreciation and Amortization: $22,567,000 in 1987 and $21,048,000 in 1986.

Assets
(000's)

As of Nov. 30	1987	1986
Cash & short term inv.	$ 8,818	$ 3,903
Accts. receiv., net	170,681	175,031
*Inventories	325,356	298,117
Prepaid expenses	10,880	5,858
Current Assets	$ 515,135	$ 482,909
# Fixed assets	131,647	129,219
Other assets	13,502	9,405
Total Assets	$ 660,284	$ 621,533

Liabilities
(000's)

Notes payable	$ 30,200	$ 33,000
Long-term debt, curr.	6,069	6,056
Accts. payable & accruals	127,708	120,807
Income taxes	19,716	10,649
Deferred taxes	12,903	21,443
Curr. Liabilities	$ 196,595	$ 191,955
Long-term debt	119,754	70,860
+Common stock	58,684	58,351
Add. paid-in capital	44,868	41,711
Retained earnings	333,753	312,369
Foreign curr. adj.	(5,876)	(5,876)
Treasury stock	(87,495)	(47,837)
Total Liabilities & Shareholders' Equity	$ 660,284	$ 621,533

* At lower of cost (LIFO and FIFO) or market.
# Less accumulated depreciation and amortization.
+ $2.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	6.67	4.47
%Net Income to Sales	3.82	2.33
%Net Income to Equity	12.00	8.91
Sales to Inventories	3.32	3.57
Debt to Equity	0.45	0.31
Working Capital	$ 318,539,000	$ 290,954,000
Current Ratio	2.62	2.52
Shareholders' Equity	$ 343,934,000	$ 338,718,000

The Harvey Group, Inc.

245 Great Neck Road
Great Neck, New York 11022
(516) 466-5790

Officers: Harvey E. Sampson, chairman of the board & president; Edward J. Maher, vice chairman; Robert C. Cignarella, exec. v.p.; Dennis R. Wilson, exec. v.p., chief financial officer & secretary.

Directors: Michael E. Gellert, Harvey E. Sampson, Richard M. Ramin, Edward J. Maher, William F. Kenny, III, Robert C. Cignarella, Mark N. Kaplan, John M. Fox, Dennis R. Wilson.

Business Activities: Engaged in the retail sale of audio and high-fidelity equipment, home entertainment systems, video electronic equipment, television sets, professional and home recording equipment, phonograph records, tapes, and similar products; operates stores in New York City and White Plains, New York, and Paramus, New Jersey. Also operates a food brokerage division.

Divisions and Subsidiaries:

Harvey Electronics
New York, New York

The Boerner Company
Great Neck, New York

The Harvey Group, Inc.

Transfer Agent(s):

Manufacturers Hanover Trust Company
New York, New York

Stock Exchange(s): American

Ticker Symbol: HRA

Number of Stores (at fiscal year end)

1988	3	1985	2
1987	3	1984	3
1986	3		

Sales & Earnings

	Revenues +	Net Income
1988	$ 31,738,546	$ 652,709
1987	28,819,724	22,744
1986	24,633,103	434,778
1985	27,974,446	(2,617,298)
1984	28,308,712	(742,569)

	No. of Com. Shares	Earn. per Share ‡ #
1988	2,554,000	$ 0.25
1987	2,553,500	0.01
1986	2,551,000	0.16
1985	2,551,000	—
1984	2,551,000	—

(Loss)
+ Of continuing operations only.
‡ Including extraordinary gains of $287,000 ($0.11 per share) in 1988, $4,000 in 1987 and $154,450 ($0.06 per share) in 1986.
# Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1988	1987
Food brokerage	$ 14,618,778	$ 12,177,923
Retail	17,118,550	16,619,872
Total segments	$ 31,737,328	$ 28,797,795
Interest income	1,218	21,929
Revenues	$ 31,738,546	$ 28,819,724

Common Stock Equity

	Total Equity	Equity Per Share
1988	$ 7,868,590	$ 3.08
1987	7,215,319	2.83
1986	7,190,075	2.82
1985	6,765,297	2.65
1984	9,382,595	3.68

Income Account *

Year ended	1/30/88	1/31/87
Net sales	$ 17,118,550	$ 16,619,872
Commissions	14,618,778	12,177,923
Other income	1,218	21,929
Total income	$ 31,738,546	$ 28,819,724
Cost of sales	11,464,710	11,148,688
Expenses	19,555,623	17,495,933
Interest expense	251,899	152,359
Gain on pension oblig. settle.	(213,395)	—
Inc. bef. taxes	$ 679,709	$ 22,744
Income taxes	314,000	4,000
Net income	$ 365,709	$ 18,744
Extraord. gain	287,000	4,000
Net income & extraord. gain	$ 652,709	$ 22,744

* Included in Costs and Expenses, Depreciation and Amortization: $462,011 in 1988 and $416,816 in 1987.

Assets

As of	1/30/88	1/31/87
Cash	$ 1,086,376	$ 256,669
Receiv., net	2,821,022	2,329,663
Refundable income taxes	527,407	527,407
*Inventories	2,949,115	3,210,499
Prepaid expenses & other assets	117,384	176,195
Current Assets	$ 7,501,304	$ 6,498,433
#Fixed assets	1,810,631	1,541,466
Other assets	6,034,381	4,561,954
Total Assets	$ 15,346,316	$ 12,601,853

Liabilities

Long-term debt, curr.	$ 739,186	$ 423,343
Accts. payable	962,124	1,929,110
Accruals	2,697,371	1,540,275
Income taxes	123,943	67,870
Curr. Liabilities	$ 4,522,604	$ 3,960,598
Long-term debt	1,389,762	1,020,304
Other liab.	911,361	302,632
Unrecog. pension gain	750,999	—
Def. income taxes	103,000	103,000
+Common stock	2,554,000	2,553,500
Add. paid-in capital	5,939,317	5,939,255
Accum. deficit	(634,727)	(1,277,436)
Total Liabilities & Shareholders' Equity	$ 15,346,316	$ 12,601,853

* At lower of cost (average) or market.
# Less accumulated depreciation & amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	3.97	0.14
%Net Income to Sales	2.14	0.11
%Net Income to Equity	4.65	0.26
Sales to Inventories	5.80	5.18
Debt to Equity	0.27	0.14
Working Capital	$ 3,178,700	$ 2,537,835
Current Ratio	1.74	1.64
Shareholders' Equity	$ 7,868,590	$ 7,215,319

Haverty Furniture Companies, Inc.

866 West Peachtree Street, N.W.
Atlanta, Georgia 30308
(404) 881-1911

Mailing address:
P.O. Box 54678
Civic Center Station
Atlanta, Georgia 30379

Officers: Rawson Haverty, chairman & chief exec. officer; Frank S. McGaughey, Jr., president & chief operating officer; Leonard O. Gay, exec. vice president & chief financial officer; John E. Slater, Jr., sr. v.p.; James E. Smith, v.p.; Hugh G. Wells, Jr., v.p. & treasurer; Christine M. Jones, asst. v.p. & secretary; Daniel E. Walters, v.p.-credit & collections; Clarence H. Smith, v.p.; Roger P. Whitaker, v.p.; Thomas P. Curran, v.p.; Joan S. Nagy, asst. v.p.; Rawson Haverty, Jr., asst. v.p. & asst. secretary; Dan C. Bryant, comptroller; Kenneth A. Fogle, asst. v.p.; W. Tony Wilkerson, asst. v.p.; William Thomason, asst. v.p.

Directors: Rawson Haverty, Frank S. McGaughey, Jr., Leonard O. Gay, F. M. Jones, Jr., Alexander W. Smith, Gordon Jones, Fred J. Bates, John Rhodes Haverty, Clarence H. Ridley, Kenneth Black, Jr., John C. Wilson, James R. Jones, John E. Slater, Jr., Lynn H. Johnston, William A. Parker, Robert R. Woodson.

Business Activities: Operates a chain of retail home furnishings stores in 10 southern states.

Transfer Agent(s):

Wachovia Bank and Trust Company, N.A.
Corporate Trust Department
P.O. Box 3001
Winston-Salem, North Carolina 27102

Stock Exchange(s): Over-the-Counter

Ticker Symbol: HAVT (NASDAQ)

Number of Stores (at fiscal year end)

1987	80	1984	65
1986	72	1983	65
1985	68		

Sales & Earnings

	Net Sales *	Net Income
1987	$ 217,467,000	$ 8,702,000
1986	188,715,000	7,250,000
1985	176,595,000	10,284,399
1984	158,398,000	6,870,764
1983	141,064,000	5,345,721

	No. of Com. Shares #	Earn. per Share #
1987	5,923,000	$ 1.47
1986	6,007,000	1.21
1985	5,975,000	1.72
1984	5,947,000	1.16
1983	5,558,000	0.96

* Includes service charges and credit life insurance revenues.
# Based on the average number of shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1987	$ 0.655	—	—
1986	0.60	—	2-for-1
1985	0.54	—	—
1984	0.48	—	—
1983	0.36	—	2-for-1 & 5-for-4

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share +
1987	$ 66,877,000	$ 11.50
1986	62,906,000	10.44
1985	57,572,985	9.60
1984	48,774,501	8.22
1983	43,600,696	7.32

+ Adjusted to reflect stock splits.

Income Account *

Year ended Dec. 31	1987	1986
Net sales	$ 217,467,000	$ 188,715,000
Cost of sales	119,152,000	104,381,000
Credit service & credit life insur. revenue	(11,822,000)	(11,168,000)
Expenses	89,457,000	77,702,000
Interest expense	5,709,000	5,015,000
Losses on accounts	2,327,000	1,851,000
Other income	(1,987,000)	(2,699,000)
Income before taxes	$ 14,631,000	$ 13,633,000
Income taxes	5,929,000	6,383,000
Net income	$ 8,702,000	$ 7,250,000

* Included in Costs and Expenses, Depreciation and Amortization: $3,948,000 in 1987 and $3,410,000 in 1986.

Assets

As of Dec. 31	1987	1986
Cash	$ 2,120,000	$ 1,223,000
Accts. receiv., net	74,077,000	68,817,000
*Inventories	39,677,000	34,513,000
Prepaid expenses	1,134,000	862,000
Current Assets	$ 117,008,000	$ 105,415,000
#Fixed assets	58,824,000	50,545,000
Other assets	2,362,000	2,597,000
Total Assets	$ 178,194,000	$ 158,557,000

Liabilities

Long-term debt, curr.	$ 5,484,000	$ 4,648,000
Cap. lease oblig., curr.	366,000	341,000
Accts. payable & accruals	18,068,000	16,069,000
Income taxes	12,983,000	13,424,000
Curr. Liabilities	$ 36,901,000	$ 34,482,000
Long-term debt	63,111,000	50,594,000
Cap. lease oblig.	7,497,000	7,863,000
Deferred inc. taxes	2,289,000	1,908,000
Other liabilities	1,519,000	1,204,000
+Common stock	3,446,000	3,388,000
+Class A Common stock	2,661,000	2,693,000
Add. paid-in capital	5,972,000	5,887,000
Retained earnings	58,139,000	51,389,000
Treasury stock	(3,341,000)	(851,000)
Total Liabilities & Shareholders' Equity	$ 178,194,000	$ 158,557,000

* At lower of cost (LIFO) or market.
\# Less accumulated depreciation.
\+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	6.73	7.22
%Net Income to Sales	4.00	3.86
%Net Income to Equity	13.01	11.60
Sales to Inventories	5.48	5.47
Debt to Equity	1.16	1.02
Working Capital	$ 80,107,000	$ 70,933,000
Current Ratio	3.17	3.06
Shareholders' Equity	$ 66,877,000	$ 62,906,000

Hechinger Company

3500 Pennsy Drive
Landover, Maryland 20785
(301) 341-1000

Officers: John W. Hechinger, co-chairman of the board; Richard England, co-chairman of the board; John W. Hechinger, Jr., president; Stephen E. Bachand, exec. v.p.; Richard L. Ponton, sr. v.p. & dir.-stores; Sally A. Courtney, sr. v.p.-gen. merchandise mgr.; Joan S. England, sr. v.p.-marketing; Catherine S. Russell, sr. v.p.-human resources; S. Ross Hechinger, sr. v.p.-distribution; Roger K. Wright, sr. v.p.-real estate & development; W. Clark McClelland, v.p.-finance & treasurer; Lennie H. Zeller, v.p. & controller; Robert G. DeMarco, v.p.-management information services; Joanne M. Barrett, v.p. & div. merchandise manager; Gerald W. Brase, v.p. & div. merchandise manager; George L. Kelly, v.p. & div. merchandise manager; John R. McGrath, v.p. & regional mgr.; Gary G. Rhea, v.p. & regional mgr.; Pamela D. McMillan, corp. secretary.

Directors: Richard England, John W. Hechinger, Stephen E. Bachand, W. Clark McClelland, Richard L. Ponton, Sally A. Courtney, John W. Hechinger, Jr., Joan S. England, S. Ross Hechinger, Catherine S. Russell.

Business Activities: Operates home-center stores in Washington D.C., Maryland, Virginia, Pennsylvania, North Carolina, Ohio, South Carolina, New Jersey, New York, Connecticut, and Florida.

Acquisition:

Home Quarters Warehouse, Inc.
2866 Virginia Beach Boulevard
Virginia Beach, Virginia 23452
(804) 498-7100
Operates seven home-center stores in North Carolina, South Carolina, Virginia and Florida.

Transfer Agent(s):

First Union National Bank
Securities Transfer Dept. CtdG-5
Charlotte, North Carolina 28288

Stock Exchange(s): Over-the-Counter.

Ticker Symbol: HECHA and HECHB (NASDAQ)

Number of Stores: (at fiscal year end)

1988	78	1985	47
1987	62	1984	41
1986	54		

Sales & Earnings

	Net Sales	Net Income
1988	$ 725,123,000	$ 39,974,000
1987	588,392,000	28,254,000
1986	479,040,000	23,111,000
1985	405,077,000	20,923,000
1984	309,498,773	16,242,955

	No. of Com. Shares +	Earn. per Share +
1988	37,036,877	$ 1.17
1987	30,714,227	0.92
1986	29,826,832	0.77
1985	28,503,762	0.73
1984	28,339,820	0.57

\+ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend and stock splits.

Common Stock

	Cash Dividend †	Stock Dividend	Stock Split
1988	$ 0.22	—	—
1987	0.21	—	5-for-4
1986	0.18	—	5-for-4
1985	0.16	—	—
1984	0.10	25%	—

† Adjusted to reflect stock dividend and stock splits.

Common Stock Equity

	Total Equity	Equity Per Share +
1988	$ 319,985,000	$ 8.64
1987	198,529,000	6.46
1986	171,734,000	5.76
1985	121,014,000	4.25
1984	100,508,458	3.55

\+ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend and stock splits.

Income Account *

Year ended	1/30/88	1/31/87
Net sales	$ 725,123,000	$ 588,392,000
Other income	17,176,000	9,472,000
Total income	$ 742,299,000	$ 597,864,000
Cost of sales	528,637,000	422,306,000
Expenses	140,627,000	117,701,000
Interest expense	17,451,000	10,103,000
Income before taxes	$ 59,584,000	$ 47,754,000
Income taxes	19,610,000	19,500,000
Cum. effect of accntg. change	(1,930)	—
Net Income	$ 41,904,000	$ 28,254,000

* Included in Costs & Expenses, Depreciation & Amortization: $10,669,000 in 1988 and $8,798,000 in 1987.

Assets

As of	1/30/88	1/31/87
Cash	$ 4,125,000	$ 2,179,000
Marketable securities	251,054,000	152,140,000
Accts. receiv., net	55,907,000	45,790,000
*Inventories	133,319,000	99,175,000
Prepaid expenses	9,705,000	14,252,000
Current Assets	$ 454,110,000	$ 313,536,000
#Fixed assets	119,749,000	79,725,000
Other assets	5,535,000	4,154,000
Total Assets	$ 579,394,000	$ 397,415,000

Liabilities

Cap. lease oblig., curr.	$ 421,000	$ 383,000
Accts. payable	79,115,000	66,903,000
Inc. taxes payable	307,000	3,254,000
Curr. Liabilities	$ 79,843,000	$ 70,540,000
Long-term debt & cap. lease oblig.	152,757,000	108,052,000
Deferred inc. taxes	13,316,000	10,454,000
Deferred rent	13,493,000	9,840,000
+Class A common stock	2,032,000	1,427,000
+Class B common stock	1,596,000	1,625,000
Add. paid-in capital	168,473,000	83,883,000
Retained earnings	151,452,000	112,130,000
Treasury stock	(3,568,000)	(536,000)
Total Liabilities & Shareholders' Equity	$ 579,394,000	$ 397,415,000

* At lower of cost (LIFO) or market.
\# Less accumulated depreciation and amortization.
\+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	8.22	8.12
%Net Income to Sales	5.78	4.80
%Net Income to Equity	13.10	14.23
Sales to Inventories	5.44	5.93
Debt to Equity	0.48	0.55
Working Capital	$ 374,267,000	$ 242,996,000
Current Ratio	5.69	4.44
Shareholders' Equity	$ 319,985,000	$ 198,529,000

Heck's, Inc.

(Operating under Chapter 11 of the U.S. Bankruptcy Code.)

Hub Industrial Park, McJunkin Road
P.O. Box 158
Nitro, West Virginia 25143
(304) 755-8331

Officers: John R. Isaac, Jr., chairman of the board, president & chief executive officer; Maarten D. Hemsley, exec. v.p.-finance, treasurer & chief financial officer; Kathy M. Harley, executive v.p.-merchandise; Larry L. Linville, senior v.p.-administration; David R. Lovelace, v.p.-operations; Donald R. Bain, v.p.-store development/loss prevention; George W. Mitchell, III, controller & chief accounting officer; William K. Bragg, Jr., v.p., secretary & general counsel.

Heck's, Inc.

Directors: John R. Isaac, Jr., chairman; William K. Bragg, Jr., Brenda H. Cole, Gerald A. Eppner, Maarten D. Hemsley, Kathy M. Hurley, Harold Sampson.

Business Activities: Operates discount department stores in seven states in the East and Midwest engaged in retailing clothing, home furnishings, hardware, auto accessories, housewares, toys, and sporting goods. Also operates a wholesale distribution company, which is engaged in the distribution of automotive accessories to retailers.

Divisions and Subsidiaries:

Maloney Enterprises, Inc.
Mt. Sterling, Kentucky
Chain of 26 department stores located in Kentucky, West Virginia, Virginia and Tennessee.

Harris & Frank, Inc.
Wholesale distribution of automotive accessories.

Transfer Agent(s):

Registrar and Transfer Company
10 Commerce Drive
Cranford, New Jersey 07016

Stock Exchange(s): New York

Ticker Symbol: HEX

Number of Stores: (at fiscal year end)

1987	120	1984	125
1986	158	1983	122
1985	166		

Sales & Earnings

	Net Sales +	Net Income
2/27/88*	$ 304,278,000	$ (27,747,000)
5/30/87‡	148,168,000	(35,769,000)
1/3/87	556,346,000	(18,269,000)
12/28/85	523,332,000	(4,908,000)
12/29/84	464,734,000	(7,782,000)

	No. of Com. Shares #	Earn. per Share #
2/27/88*	8,876,062	$ —
5/30/87‡	8,876,062	—
1/3/87	8,910,782	—
12/28/85	8,866,809	—
12/29/84	9,002,897	—

(Loss)
* 9 months.
‡ 5 months.
+ Of continuing operations only.
# Based on the weighted average number of common shares outstanding.

Revenues by Line of Business
(000's)

	2/27/88	5/30/87
Discount dept. stores	$ 287,387	$ 125,937
Wholesale distributors	33,930	36,580
Other industries	596	331
Eliminations	(13,532)	(13,133)
Total	$ 308,381	$ 149,715

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
2/27/88	$ —	—	—
5/30/87	—	—	—
1/3/87	0.09	—	—
12/28/85	0.28	—	—
12/29/84	0.28	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
2/27/88	$ 7,605,000	$ 0.86
5/30/87	35,352,000	3.98
1/3/87	71,384,000	8.01
12/28/85	90,715,000	10.23
12/29/84	98,026,000	10.89

‡ Based on the weighted average number of common shares outstanding.

Income Account *
(000's)

Year ended	2/27/88 (9 months)	5/30/87 (5 months)
Net sales	$ 304,278	$ 148,168
Other income	4,103	1,547
Total income	$ 308,381	$ 149,715
Cost of sales	251,215	121,871
Expenses	72,652	41,100
Interest expense	5,186	3,268
Prov. for store clos.	5,318	12,364
Prov. for reorg.	1,983	5,717
Loss bef. taxes	$ (27,973)	$ (34,605)
Income taxes (credit)	(226)	123
Cum. effect of accatng. change	—	1,041
Net Loss	$ (27,747)	$ (35,769)

* Included in Costs and Expenses, Depreciation and Amortization: $6,077,000 in 1988 and $4,221,000 in 1987.

Assets
(000's)

As of	2/27/88	5/30/87
Cash	$ 3,457	$ 3,825
Short-term invest.	18,868	21,231
Accts. receiv., net	11,262	11,177
*Inventories	84,746	88,530
Refund. inc. taxes	710	6,171
Other assets	6,838	5,128
Net assets held for resale	3,512	12,743
Current Assets	$ 129,393	$ 148,805
Investments	4,141	4,285
#Fixed assets	63,532	70,043
Assets under cap. leases	10,847	12,394
Other assets	3,837	2,915
Total Assets	$ 211,770	$ 238,442

Liabilities
(000's)

Long-term debt, curr.	$ 67	$ 299
Cap. lease oblig. curr.	1,128	1,162
Accts. payable	22,251	14,982
Income taxes	423	—
Accrued reorg. costs	4,813	5,440
Accrued comp.	2,177	2,566
Accrued taxes	1,685	3,428
Other liabilities	4,996	6,182
Curr. Liabilities	$ 37,540	$ 34,059
Liab. deferred-Chapter XI	144,951	144,821
Long-term debt	—	750
Cap. lease oblig.	15,399	17,251
Deferred credits	2,793	2,727
Redeem. preferred stock	3,482	3,482
+Common stock	928	928
Add. paid-in capital	19,493	19,493
Retained earnings (deficit)	(7,661)	20,086
Treasury stock	(5,155)	(5,155)
Total Liabilities & Shareholders' Equity	$ 211,770	$ 238,442

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

Sales to Inventories	3.59	1.67
Debt to Equity	2.18	0.55
Working Capital	$ 91,853,000	$ 114,746,000
Current Ratio	3.45	4.37
Shareholders' Equity	$ 7,605,000	$ 35,352,000

Heilig-Meyers Company

3228 West Cary Street
Richmond, Virginia 23221
(804) 359-9171

Officers: William C. DeRusha, chairman of the board & chief executive officer; Troy A. Peery, Jr., president & chief operating officer; Troy J. Bridgers, exec. v.p.-operations; Joseph R. Jenkins, exec. v.p. & chief financial officer; James R. Riddle, exec. v.p.-marketing; Douglas M. Adams, sr. v.p.-corp. planning; William J. Dieter, sr. v.p.-accounting & controller; William E. Helms, sr. v.p.-corp. expansion; R. Gene Laughter, sr. v.p.-advertising & sales promotion; Ralph H. Beam, sr. regional v.p.-operations; James M. Glover, regional v.p.-operations; John M. Hamilton, regional v.p.-operations; Roy W. Page, regional v.p.-operations; Roy B. Goodman, v.p., secretary & treasurer; Dennis B. Harrell, v.p.-MIS; Alan E. Lese, v.p.-merchandising/upholstery; Ronald M. Ragland, v.p.-human resources; John H. Sniffin, v.p.-inventory management; Sara J. Strackell, v.p.-audit; Frederick D. Wood, v.p.-merchandising/Specialty Division.

Directors: William C. DeRusha, chairman; S. Sidney Meyers, Hyman Meyers, Nathaniel Krumbein, Lawrence N. Smith, Benjamin F. Edwards, III, Alexander Alexander, Troy A. Peery, Jr., Robert L. Burrus, Jr., George A. Thornton, III, Alan G. Fleischer, Arthur D. Charpentier.

Business Activities: Operates a chain of 258 home furnishings retail stores in 11 southern states.

Subsidiaries:

Caplan Furniture Company
Caplan Furniture Company of Logan, Inc.
Heilig-Meyers Company of Georgia
Heilig-Meyers Company of North Carolina
Heilig-Meyers Company of South Carolina, Inc.
Heilig-Meyers Company of Tennessee
Heilig-Meyers Company of Virginia
Heilig-Meyers Company of West Virginia
Sterchi Brothers Stores, Inc.
Thomas Furniture, Inc.

all located at:
3228 West Cary Street
Richmond, Virginia 23221

Acquisition:

Reliable Stores, Inc.
Columbia, Maryland
Operates 22 homes furnishings retail stores.

Transfer Agent(s):

Crestar Bank
919 East Main Street
Richmond, Virginia 23219

Stock Exchange(s): New York, Pacific

Ticker Symbol: HMY

Number of Stores: (at fiscal year end)

1988	258	1985	127
1987	220	1984	101
1986	216		

Sales & Earnings

	Net Sales	Net Income
1988	$ 253,792,000	$ 15,514,000
1987	226,186,000	13,541,000
1986	152,722,000	10,232,000
1985	140,933,000	11,749,000
1984	113,999,000	9,955,000

	No. of Com. Shares ‡	Earn. per Share ‡
1988	10,639,000	$ 1.46
1987	10,440,000	1.30
1986	9,582,000	1.07
1985	9,394,000	1.25
1984	9,343,000	1.07

‡ Based on the weighted average number of common shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1988	$ 0.32	—	—
1987	0.28	—	—
1986	0.28	—	3-for-2
1985	0.24	—	—
1984	0.21	—	3-for-2

‡ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	$ 142,109,000	$ 13.36
1987	131,312,000	12.58
1986	91,787,000	9.58
1985	79,303,000	8.44
1984	68,970,000	7.38

‡ Adjusted to reflect stock splits.

Income Account *
(000's)

Year ended March 31	1988	1987
Net sales	$ 253,792	$ 226,186
Other income	49,753	45,016
Total Income	$ 303,545	$ 271,202
Cost of sales	160,543	142,805
Expenses	86,729	77,841
Prov. for doubtful accts.	17,550	13,066
Prof. sh. plan	997	1,092
Interest expense	13,037	10,359
Income before taxes	$ 24,689	$ 26,039
Income taxes	9,175	12,498
Net Income	$ 15,514	$ 13,541

* Included in Costs and Expenses, Depreciation and Amortization: $9,086,000 in 1988 and $7,298,000 in 1987.

Assets
(000's)

As of March 31	1988	1987
Cash	$ 3,921	$ 1,895
Accts. receiv., net	214,280	181,230
Other receiv.	8,263	5,106
*Inventories	79,672	73,009
Prepaid expenses	8,327	5,810
Current Assets	$ 314,463	$ 267,050
#Fixed assets	89,330	82,610
Other assets	3,636	5,793
Intangibles	17,933	14,452
Total Assets	$ 425,362	$ 369,905

Liabilities
(000's)

Notes payable	$ 114,000	$ 57,630
Long-term debt, curr.	2,163	8,284
Accts. payable	13,565	9,470
Accruals	13,149	12,209
Defered income taxes	523	22,800
Income taxes payable	6,894	2,262
Curr. Liabilities	$ 150,294	$ 112,655
Long-term debt	112,031	114,033
Deferred comp.	863	917
Deferred inc. taxes	20,065	10,988
+Common stock	21,119	21,321
Add. paid-in capital	43,518	44,626
Retained earnings	77,472	65,365
Total Liabilities & Shareholders' Equity	$ 425,362	$ 369,905

* At lower of cost or market, by the retail method.
# Less accumulated depreciation and amortization.
+ $2 par value.

Statistical Summary

%Income bef. Taxes to Total Income	8.13	9.60
%Net Income to Total Income	5.11	4.99
%Net Income to Equity	10.92	10.31
Sales to Inventories	3.19	3.10
Debt to Equity	1.61	1.37
Working Capital	$ 164,169,000	$ 154,395,000
Current Ratio	2.09	2.37
Shareholders' Equity	$ 142,109,000	$ 131,312,000

Highland Superstores, Inc.

909 North Sheldon Road
Plymouth, Michigan 48170
(313) 451-3200

Officers: David S. Mondry, chairman of the board; Eugene P. Mondry, president & chief executive officer; Ira S. Mondry, exec. v.p. & chief operating officer; Yale Lavin, sr. v.p.-finance & chief financial officer; Richard A. Brouwer, v.p. & gen. mgr.-southwest division; Harry A. Limauro, v.p.-special projects; William F. O'Brien, v.p.-operations; Paul J. Ruggirello, v.p. & gen. mgr.-midwest division; Donald S. Wysocki, v.p. & gen. mgr.-central division; Louis F. Bernucca, v.p.-merchandising; Ira Sternbach, treasurer; David K. Page, general counsel & secretary; John B. Brownson, controller.

Directors: David S. Mondry, chairman; Eugene P. Mondry, Ira S. Mondry, Richard H. Cummings, David K. Page, Jack A. Robinson, Fred G. Secrest.

Business Activities: Operates 72 consumer electronics and major home appliance retail stores in Michigan, Ohio, Indiana, Illinois, Texas, Louisiana, Wisconsin, Minnesota, Massachusetts and Rhode Island.

Transfer Agent(s):

National Bank of Detroit
611 Woodward
Detroit, Michigan 48226

Stock Exchange(s): Over-the-Counter

Ticker Symbol: HIGH (NASDAQ)

Number of Stores: (at fiscal year end)

1988	72	1985	32
1987	53	1984	25
1986	40		

Sales & Earnings

	Net Sales †	Net Income
1988	$ 753,446,000	$ 13,945,000
1987	656,456,000	20,214,000
1986	520,527,000	23,602,000
1985*	358,584,000	14,775,000
1984*	255,460,000	8,242,000

	No. of Com. Shares ‡	Earn. per Share ‡
1988	18,257,840	$ 0.76
1987	18,257,631	1.11
1986	17,376,480	1.36
1985*	15,195,550	0.97
1984*	N.A.	0.54

N.A. - Not Available.
* Pro forma.
+ Includes other income.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	$ 128,144,000	$ 7.02
1987	114,094,000	6.25
1986	93,869,000	5.40
1985	17,731,000	1.17
1984	17,120,000	—

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended Jan. 31	1988	1987
Net sales	$ 753,446	$ 656,456
Cost of sales	521,879	448,377
Expenses	213,901	169,537
Interest expenses	6,467	3,593
Interest income	(2,426)	(684)
Other expenses (income)	304	(671)
Income before taxes	$ 13,321	$ 36,112
Income taxes	5,061	15,898
Cum. effect of change in accntg. meth.	(5,685)	—
Net Income	$ 13,945	$ 20,214

* Including in Costs and Expenses, Depreciation and Amortization: $8,890,000 in 1988 and $7,126,000 in 1987.

Assets
(000's)

As of Jan. 31	1988	1987
Cash	$ 9,755	$ 43,794
Accts. receiv., net	15,260	8,920
*Inventories	162,452	112,000
Prepaid expenses	3,357	2,609
Current Assets	$ 190,824	$ 167,323
Investments	4,896	—
#Fixed assets	100,286	77,216
Other assets	1,302	878
Total Assets	$ 297,308	$ 245,417

Liabilities
(000's)

Short-term borrowings	$ 12,000	$ —
Long-term debt, curr.	1,927	1,041
Accts. payable	45,256	29,344
Accruals	29,974	24,577
Customer deposits	3,937	4,756
Income taxes	—	2,403
Deferred income taxes	2,256	30
Curr. Liabilities	$ 95,350	$ 62,151

Highland Superstores, Inc.

Long-term debt	69,744	64,445
Deferred revenue	—	4,491
Deferred inc. taxes	4,070	236
+Common stock	183	183
Add. paid-in capital	52,919	52,814
Retained earnings	75,042	61,097
Total Liabilities & Shareholders' Equity	$ 297,308	$ 245,417

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	1.77	5.50
%Net Income to Sales	1.85	3.08
%Net Income to Equity	10.88	17.72
Sales to Inventories	4.64	5.86
Debt to Equity	0.65	0.57
Working Capital	$ 95,474,000	$ 105,172,000
Current Ratio	2.00	2.69
Shareholders' Equity	$ 128,144,000	$ 114,094,000

Hills Department Stores, Inc.

15 Dan Road
Canton, Massachusetts 02021
(617) 821-1000

Officers: Stephen A. Goldberger, chairman, president & chief executive officer; George R. Friese, vice chairman; John C. Brouillard, v.p.-finance; Stephen A. Feldman, v.p. & treasurer; William K. Friend, v.p.; secretary & corporate counsel; John G. Reen, v.p. & controller; Raymond Brinkman, v.p.-Hills Stores; Eugene O'Donnell, v.p.-Hills Stores; Larry Voelker, v.p.-Hills Stores; Andrew J. Samuto, v.p.-human resources; David Rudnick, president-Rudnick & Sons, Inc. and the Rudnick Division of Hills Stores.

Directors: Stephen A. Goldberger, chairman; George R. Friese, Dean C. Kehler, Thomas H. Lee, James L. Moody, Jr., Robert D. Buzzell.

Business Activities: Operates 151 discount department stores in 13 eastern and central states.

Division

Rudnick Division
Operates leased domestics departments in all of the Company's department stores.

Transfer Agent(s):

Bankers Trust Company

Stock Exchange(s): New York

Ticker Symbol: HDS

Number of Stores: (at fiscal year end)

1987	151	1984	123
1986	136	1983	116
1985	125		

Sales & Earnings

	Net Sales	Net Income x
1/30/88	$ 1,514,300,000	$ 32,500,000
1/31/87	1,343,100,000	(14,800,000)
1/25/86*	163,600,000	(16,800,000)
12/10/85+#	1,320,000,000	23,200,000
1/26/85#	1,423,600,000	41,000,000

	No. of Com. Shares †	Earn. per Share ‡
1/30/88	19,044,228	$ 1.31
1/31/87	14,963,373	—
1/25/86*	15,000,000	—

(Loss)
* 6 weeks.
+ 46 weeks.
# Predecessor company.
x Including extraordinary gain of $12,250,000 ($0.71 per share) in 1988.
† Adjusted to reflect stock split.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1/30/88	—	—	—
1/31/87	—	—	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share
1/30/88	$ (2,110,000)	$ —
1/31/87	(40,715,000)	—
1/25/86	(10,340,000)	—

(Deficiency)

Income Account *
(000's)

Year ended	1/30/88	1/31/87
Net sales	$ 1,514,329	$ 1,343,102
Cost of sales	1,075,116	945,630
Expenses	335,678	303,060
Inventory charge	—	41,344
Interest expense	67,973	67,979
Interest income	(1,287)	(2,098)
Other expenses	3,002	1,687
Income (loss) before taxes	$ 33,847	$ (14,500)
Income taxes	13,600	280
Net Income (Lost)	$ 20,247	$ (14,780)
Extraord. gain	— 12,250	—
Net Income (Loss) & extraord. gain	$ 32,497	$ (14,780)

* Included in Costs and Expenses, Depreciation and Amortization: $31,386,000 in 1988 and $31,334,000 in 1987.

Assets
(000's)

As of	1/30/88	1/31/87
Cash	$ 9,317	$ 2,163
Accts. receiv., net	9,431	8,962
*Inventories	232,675	175,811
Other curr. assets	244	1,403
Current Assets	$ 251,667	$ 188,339
#Fixed assets	267,451	240,933
Oper. lease rights	72,003	75,416
Other assets	1,142	2,791
Deferred fin. costs	16,364	16,900
Intangibles	156,255	160,381
Total Assets	$ 764,882	$ 684,760

Liabilities
(000's)

Long-term debt, curr.	$ 23,125	$ 1,272
Cap. lease oblig., curr.	3,099	2,571
Accts. payable	125,774	82,317
Accruals	107,492	94,286
Curr. Liabilities	$ 259,490	$ 180,446
Long-term debt	306,691	301,894
Oblig. under cap. leases	122,349	100,400
Jr. subord. deben.	38,891	—
Other liabilities	16,032	16,828
Redeem preferred stock	23,539	125,907
+Common stock	192	150
Add. paid-in capital	51,769	9,830
Retained earnings (deficit)	(52,496)	(49,469)
Treasury stock	(761)	(24)
Unamort. comp. on restricted stock	(816)	(1,222)
Total Liabilities & Shareholders' Equity	$ 764,882	$ 684,760

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	2.24	—
%Net Income to Sales	1.34	—
Sales to Inventories	6.51	7.64
Working Capital	—	$ 7,893,000
Current Ratio	—	1.04
Shareholders' Equity (Deficiency)	$ (2,110,000)	$ (40,715,000)

D. H. Holmes Company, Limited

(29.3% owned by Industrial Equity (Pacific) Limited)

819 Canal Street
New Orleans, Louisiana 70112
(504) 561-6611

Officers: Donald W. Johnston, chairman of the board, president & chief exec. officer; James W. Graf, exec v.p.-merchandising, adv., sales promotion & physical properties; James E. Ammon, exec. v.p.-finance; Raymond E. Weidenbacher, sr. v.p. & dir.-stores; Louis R. Roussel, sr. v.p.-physical properties & merchandise presentation; Robert G. Morgan, sr. v.p.-personnel & operations; Paul R. Falter, sr. v.p., controller, treasurer & asst. secretary; E. Stewart Maunsell, II, v.p. & secretary; M. Elizabeth Tahir, v.p. & gen. mdse. mgr.; Ann Lynne Strug, v.p. & gen. mdse. mgr.; R. Stephen Wall, v.p. & gen. mdse. mgr.; Kenneth J. DeZwaan, v.p. & sr. store mgr.; John N. Kuchler, v.p. & sr. store mgr.; Jay F. Hebert, v.p.-public affairs; William G. Turner, v.p. & plant superintendent; Phyllis A. Covelli, v.p. & sales promotion director; Louis J. Dontas, v.p.- management information services.

Directors: E. Stewart Maunsell, II, Frank E. Schmidt, Donald J. Nalty, James E. Ammon, Sidney W. Lassen, John F. Bricker, Harry McCall, Jr., Donald W. Johnston, Alden J. Laborde, Robert R. Broadbent.

Business Activities: Operates 19 department stores in Alabama, Louisiana, Florida and Mississippi. Also operates four separate shoe stores and two clearance centers; and 13 car care centers under a lease/management agreement with the Goodyear Tire and Rubber Company.

Subsidiaries:

D. H. Holmes Realty, Inc.
D. H. Credit Corporation (unconsolidated)
D. H. Holmes B. R., Inc.

Transfer Agent(s):

D. H. Holmes Company, Limited
New Orleans, Louisiana

Stock Exchange(s): Over-the-Counter

Ticker Symbol: HLME (NASDAQ)

Number of Stores:* (at fiscal year end)

1988	19	1985	15
1987	19	1984	14
1986	18		

* Department stores only.

Sales & Earnings

	Net Sales ‡	Net Income
1988	$ 274,929,000	$ 1,554,000
1987	270,434,000	355,000
1986	272,819,000	3,375,000
1985	271,681,000	7,523,000
1984	253,844,000	8,458,000

	No. of Com. Shares +	Earn. per Share #
1988	3,563,032	$ 0.44
1987	3,551,106	0.10
1986	3,400,156	0.97
1985	3,383,044	2.17
1984	3,364,306	2.80

‡ Including leased departments.
+ Adjusted to reflect stock dividend and stock split.
# Based on the average number of shares outstanding adjusted to reflect stock dividend and stock split.

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1988	$ 0.19	—	—
1987	0.85	3%	—
1986	0.97	—	—
1985	0.97	—	—
1984	0.95	—	2-for-1

‡ Adjusted to reflect stock dividend and stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	$ 67,188,000	$ 18.86
1987	67,833,000	19.10
1986	69,770,000	20.52
1985	69,370,000	20.51
1984	64,855,000	19.28

‡ Adjusted to reflect stock dividend and stock split.

Income Account

Year ended	1/30/88	1/31/87
Net sales	$ 274,929,000	$ 270,434,000
Cost of sales	194,059,000	188,309,000
Expenses	53,145,000	53,271,000
Depreciation & amortization	9,179,000	8,792,000
Prov. for doubtful accts.	2,989,000	$ 3,837,000
Rents	7,767,000	6,681,000
Repair & maintenance	2,194,000	2,188,000
Interest expense	9,846,000	10,473,000
Pension plan costs	1,919,000	1,875,000
Pension plan asset reversion	—	(4,420,000)
Loss bef. taxes	$ (6,169,000)	$ (572,000)
Tax credit	(2,266,000)	(927,000)
Cum. effect of accntg. change	(5,457,000)	—
Net Income	$ 1,554,000	$ 355,000

Assets

As of	1/30/88	1/31/87
Cash	$ 5,778,000	$ 2,543,000
Accts. receiv., net	19,652,000	19,386,000
*Inventories	39,480,000	40,808,000
Inc. tax receiv.	358,000	4,908,000
Other current assets	2,411,000	2,573,000
Current assets	$ 67,679,000	$ 70,218,000
Investments	217,000	7,001,000
#Fixed assets	85,022,000	109,541,000
Other assets	2,473,000	2,199,000
Total Assets	$ 155,391,000	$ 188,959,000

Liabilities

Notes payable	$ 1,200,000	$ 12,435,000
Long-term debt, curr.	1,229,000	2,310,000
Accts. payable	16,687,000	17,966,000
Accruals	5,193,000	4,908,000
Income taxes	2,134,000	632,000
Curr. Liabilities	$ 26,443,000	$ 38,251,000
Long-term debt	40,585,000	50,628,000
Deferred inc. taxes	9,975,000	20,465,000
Deferred credit	11,200,000	11,782,000
+Common stock	9,106,000	9,077,000
Add. paid in capital	21,850,000	21,619,000
Retained earnings	39,020,000	38,133,000
Treasury stock	(991,000)	(996,000)
Receiv. from emp. benefit plan	(1,797,000)	—
Total Liabilities & Shareholders' Equity	$ 155,391,000	$ 188,959,000

* At LIFO cost.
# Less accumulated depreciation and amortization.
+ $2.50 par value.

Statistical Summary

%Net Income to Sales	0.57	0.13
%Net Income to Equity	2.31	0.52
Sales to Inventories	6.96	6.63
Debt to Equity	0.64	0.96
Working Capital	$ 41,236,000	$ 31,967,000
Current Ratio	2.56	1.84
Shareholders' Equity	$ 67,188,000	$ 67,833,000

The Home Depot, Inc.

2727 Paces Ferry Road
Atlanta, Georgia 30339
(404) 433-8211

Officers: Bernard Marcus, chairman, chief exec. officer & secretary; Arthur M. Blank, president & chief operating officer; Ronald M. Brill, sr. v.p., treasurer & chief financial officer; E. Dennis Ross, sr. v.p.-management information systems; Nathan Morton, sr. v.p.-operations; William E. Harris, sr. v.p.-corp. development; James Inglis, v.p.-merchandising; Bruce Berg, v.p.-merchandising; William J. Salyer, v.p.-construction & store planning; Larry Mercer, v.p.-store operations, East Coast; Donald P. McKenna, v.p.-human resources; Lawrence A. Smith, v.p.-legal & asst. secretary; Marshall L. Day, v.p. & controller; Lynn Martineau, v.p.-store operations, West Coast.

Directors: Bernard Marcus, chairman; Arthur M. Blank, Ronald M. Brill, Berry R. Cox, Frederick Demattéis, Milledge A. Hart, III, Kenneth G. Langone, Frank Borman, Alan D. Schwartz.

Business Activities: Operates a chain of 75 retail "warehouse" stores selling a wide assortment of building materials and home improvement products primarily to the "do-it-yourself" and home remodeling markets in Georgia, Tennessee, Florida, Alabama, Louisiana, Texas, Arizona, and California.

Transfer Agent(s):

Wachovia Bank and Trust Company N.A.
P.O. 3001
Winston-Salem, North Carolina 27102

Stock Exchange(s): New York

Ticker Symbol: HD

Number of Stores: (at fiscal year end)

1987	75	1985	50
1986	60		

Sales & Earnings

	Net Sales	Net Income
1988	$ 1,453,657,000	$ 54,086,000
1987	1,011,462,000	23,873,000
1986	700,729,000	8,219,000
1985*	432,779,000	14,122,000
1984	256,184,000	10,261,000

	No. of Com. Shares ‡	Earn. per Share ‡
1988	47,994,000	$ 1.13
1987	39,870,000	0.60
1986	37,871,000	0.22
1985*	37,953,000	0.37
1984	37,251,000	0.28

* 53 weeks.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	—	—	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	$ 320,559,000	$ 6.68
1987	163,042,000	4.09
1986	89,092,000	2.35
1985	80,214,000	2.11
1984	65,278,000	1.75

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *
(000's)

Year ended	1/31/88	2/1/87
Net sales	$ 1,453,657	$ 1,011,462
Cost of sales	1,049,918	733,302
Selling & oper. exp.	263,212	189,290
Preopening exp.	4,608	3,198
Gen. & adm. exp.	37,678	27,376
Interest expense	3,416	12,249
Interest income	(761)	(1,026)
Income before taxes	$ 95,586	$ 47,073
Income taxes	41,500	23,200
Net Income	$ 54,086	$ 23,873

* Included in Costs and Expenses, Depreciation and Amortization: $10,646,000 in 1988 and $8,697,000 in 1987.

Assets
(000's)

As of	1/31/88	2/1/87
Cash	$ 25,595	$ 17,124
Accts. receiv., net	15,228	9,937
*Inventories	211,421	167,115
Prepaid expenses	5,043	3,713
Current Assets	$ 257,287	$ 197,889
#Fixed assets	244,503	168,981
Other assets	3,184	3,943
Intangibles	23,296	23,928
Total Assets	$ 528,270	$ 394,741

The Home Depot, Inc.

Liabilities (000's)

Long-term debt, curr.	$ 235	$ 238
Accts. payable	93,859	67,800
Accrued payroll	22,021	11,039
Other accruals	27,322	21,985
Income taxes	3,229	5,751
Curr. Liabilities	$ 146,666	$ 106,813
Long-term debt	52,298	116,907
Other long-term liabilities	762	991
Deferred inc. taxes	7,985	6,988
+Common stock	2,470	2,129
Add. paid-in capital	203,755	98,106
Retained earnings	114,334	62,807
Total Liabilities & Shareholders' Equity	$ 528,270	$ 394,741

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.05 par value.

Statistical Summary

%Income bef. Taxes to Sales	6.58	4.65
%Net Income to Sales	3.72	2.36
%Net Income to Equity	16.87	14.64
Sales to Inventories	6.88	6.05
Debt to Equity	0.16	0.72
Working Capital	$ 110,621,000	$ 91,076,000
Current Ratio	1.75	1.85
Shareholders' Equity	$ 320,559,000	$ 163,042,000

Honeybee, Inc.

(74.8%-owned by Spiegel, Inc.)

681 Fifth Avenue
New York, New York 10022
(212) 752-8851

Officers: Hanne Merriman, president & chief executive officer; Warren H. Golden, v.p.-operations, chief financial officer & treasurer; Larry J. Einbender, v.p.-stores; Herbert F. O'Malley, v.p.-catalog operations; Grace Koughan, v.p.-merchandising; Michael R. Moran, secretary; Ellen R. Dugan, asst. secretary.

Directors: Hanne Merriman, Warren H. Golden, Michael R. Moran, Jack H. Segell, Stanley R. Klion, John J. Shea, Alton M. Withers, Kenneth A. Bochenski, John L. Semmelhack.

Business Activities: Operates 20 retail stores which sell medium to upper price brand name and designer women's apparel in Missouri, Illinois, New York, Pennsylvania, New Jersey, Tennessee, and Connecticut. The Company also markets its merchandise through mail order catalogs.

Transfer Agent(s):

United Missouri Bank of Kansas City, N.A.
Kansas City, Missouri

Stock Exchange(s): American

Ticker Symbol: HBE

Number of Stores: (at fiscal year end)

1987	18	1985	10
1986	14		

Sales & Earnings

	Net Sales +	Net Income
1988	$ 32,991,000	$ 1,679,000
1987	26,201,000	1,073,000
1986	17,588,000	283,000
1985	13,314,000	(261,000)
1984	12,625,000	252,000

	No. of Com. Shares ‡	Earn. per Share ‡
1988	2,663,470	$ 0.63
1987	2,343,575	0.46
1986	2,338,710	0.12
1985	2,338,710	—
1984	2,338,710	0.11

(Loss)
+ Of continuing operations only.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	$ 5,928,000	$ 2.19
1987	3,942,000	1.68
1986	1,549,000	0.66
1985	1,266,000	0.54
1984	1,528,000	0.65

‡ Based on the weighted avesage number of common shares and common share equivalents outstanding.

Income Account *

Year ended	1/22/88	1/3/87
Net sales	$ 32,991,357	$ 26,200,745
Cost of sales	16,435,507	12,966,451
Expenses	15,658,871	11,200,361
Other income	(1,338,335)	(596,825)
Interest expense	6,071	73,143
Income before taxes	$ 2,229,243	$ 2,557,615
Income taxes	550,000	1,269,500
Income from cont. oper.	$ 1,679,243	$ 1,288,115
Loss from discont. oper.	—	(215,583)
Net Income	$ 1,679,243	$ 1,072,532

* Included in Costs and Expenses, Depreciation and Amortization: $370,552 in 1988 and $1,505,934 in 1987.

Assets

As of	1/2/88	1/3/87
Cash	$ 973,100	$ 1,018,122
Short-term invest.	—	2,608,628
Accts. receiv., net	970,926	902,357
Refundable taxes	605,695	—
*Inventories	2,064,283	1,287,210
Prepaid expenses	243,416	495,883
Other curr. assets	473,154	164,599
Current Assets	$ 5,330,574	$ 6,476,799
#Fixed assets	3,414,797	1,910,214
Cash value of life insur.	266,862	425,927
Other assets	51,623	21,448
Total Assets	$ 9,063,856	$ 8,834,388

Liabilities

Notes payable	$ 500,000	$ 71,233
Accts. payable	1,828,636	2,576,131
Accruals	657,469	1,052,934
Income taxes	—	1,011,011
Curr. Liabilities	$ 2,986,105	$ 4,711,309
Deferred income	(88,785)	(101,466)
Deferred inc. taxes	250,000	181,000
+ Common stock	2,875,462	2,681,714
Retained earnings	3,961,058	2,281,815
Treasury stock	(919,984)	(919,984)
Total Liabilities & Shareholders' Equity	$ 9,063,856	$ 8,834,388

* At lower of cost (retail method) or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	6.76	—
%Net Income to Sales	5.09	—
%Net Income to Equity	28.81	27.21
Sales to Inventories	15.98	20.35
Debt to Equity	0.09	0.02
Working Capital	$ 2,344,469	$ 1,765,490
Current Ratio	1.79	1.37
Shareholders' Equity	$ 5,827,751	$ 3,942,079

House of Fabrics, Inc.

13400 Riverside Drive
Sherman Oaks, California 91423
(818) 995-7000

Officers: Barney Sofro, chairman of the board; Gary L. Larkins, president & chief exec. officer; Donald R. Ardemagni, exec. v.p.-fabric buying; Edward L. Chow, v.p.-chief information officer; Edwin F. Johnson, v.p.-construction; Marvin S. Maltzman, v.p., secretary & general counsel; Bill Smith, v.p.-warehousing & distribution; William James Heaton, v.p.-finance & administration and chief financial officer; L. Jay Bowen, v.p.-crafts & notions buying; Gary A. Bunch, v.p.-sewing machine operations; James C. Webb, v.p.-real estate; Eric R. Schwarz, inventory mgmt.; James R. Hartwing, v.p.-store operations & merchandising; John A. Sofro, v.p.-Fabric buying; F. Douglas Trovato, v.p.-Fabric buying; Aurora Stewart, treasurer & asst. secretary; John T. Choi, controller.

Directors: David L. Sofro, E. Ben Mitchell, Barney Sofro*, Charles Sofro, Gary L. Larkins*, James J. McMorrow.

* Member of the Executive Committee

Business Activities: Sells fabrics, needlecrafts, sewing machines and notions through 672 retail stores in 43 states. The name "House of Fabrics" is used for stores located west of the Rocky Mountains; the name "So-Fro Fabrics" is used for stores east of the Rocky Mountains.

Transfer Agent(s):

Bank of America National Trust & Savings Association
55 Hawthorne St.
San Francisco, California 94105

Stock Exchange(s): New York, Pacific

Ticker Symbol: HF

Number of Stores: (at fiscal year end)

1988	672	1985	760
1987	707	1984	684
1986	730		

Sales & Earnings

	Net Sales	Net Income
1988	$ 322,480,000	$ 10,501,000
1987	316,366,000	6,191,000
1986	286,743,000	4,257,000
1985	278,256,000	11,332,000
1984	239,625,000	9,678,000

	No. of Com. Shares	Earn. per Share ‡
1988	6,564,777	$ 1.58
1987	6,556,977	0.94
1986	6,535,421	0.64
1985	6,492,177	1.71
1984	6,442,427	1.46

‡ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	$ 0.48	—	—
1987	0.48	—	—
1986	0.48	—	—
1985	0.40	—	—
1984	0.40	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1988	$ 92,718,000	$ 14.12
1987	85,287,000	13.01
1986	83,094,000	12.56
1985	90,720,000	12.43
1984	71,644,000	11.12

Income Account * (000's)

Year ended Jan. 31	1988	1987
Net sales	$ 322,480	$ 316,366
Cost of sales	150,376	156,252
Expenses	150,600	144,672
Interest expense	2,236	2,807
Prov. for loss or dispos. of assets	—	—
Income before taxes	$ 19,268	$ 12,635
Income taxes	8,767	6,444
Net Income	$ 10,501	$ 6,191

* Included in Costs and Expenses, Depreciation and Amortization: $5,954,000 in 1988 and $5,844,000 in 1987.

Assets (000's)

As of Jan. 31	1988	1987
Cash	$ 571	$ 529
Receiv. net	5,932	3,674
*Inventories	133,608	111,698
Prepaid expenses	4,127	3,162
Current Assets	$ 144,238	$ 119,063
#Fixed assets	39,706	37,339
Other assets	680	1,638
Total Assets	$ 184,624	$ 158,040

Liabilities (000's)

Long-term debt, curr.	$ 349	$ 314
Accts. payable	48,129	30,596
Notes payable	17,000	17,000
Accruals	10,168	9,288
Income taxes	637	50
Curr. Liabilities	$ 76,283	$ 57,248
Def. inc. taxes	3,887	3,420
Long-term debt	11,736	12,085
+ Common stock	656	656
Add. paid-in capital	14,488	14,407
Retained earnings	77,574	70,224
Total Liabilities & Shareholder's Equity	$ 184,624	$ 158,040

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	5.97	3.99
%Net Income to Sales	3.26	1.96
%Net Income to Equity	11.33	7.26
Sales to Inventories	2.41	2.83
Debt to Equity	0.31	0.34
Working Capital	$ 67,955,000	$ 61,815,000
Current Ratio	1.89	2.08
Shareholders' Equity	$ 92,718,000	$ 85,287,000

Hudson's Bay Company

Hudson's Bay House
77 Main Street
Winnipeg, Manitoba R3C 2R1, Canada
(204) 943-0881

Officers: Donald S. McGiverin, governor; George J. Kotich, president & chief operating officer; Brian C. Grosz, v.p. & controller; A. Ralph Huband, v.p. & secretary; Gary J. Lukassen, sr. v.p.-finance & administration; Ronald N.D. Hogan, v.p.-credit; Donald C. Rogers, v.p.-real estate & development; Larry W. Rowe, v.p.-information services; John M. Cunningham, v.p.-operations; Sheila K. Dunlevie, v.p.-store planning & construction; Raymond J. McDonald, v.p.-distribution; Paul S. Walters, v.p.-human resources; Kenneth C. Wong, asst. treasurer.

Directors: I. A. Barclay, M. Belanger, Dawn R. McKeag, G. C. Hoyer Miller, D. S. McGiverin*, Kenneth R. Thomson, John A. Tory*, J. W. Bird, W. Michael Brown, Peter W. Mills, George J. Kosich, David E. Mitchell, Gary J. Lukassen, David K. R. Thomson, Neil R. Wood.

* Member of the Executive Committee

Business Activities: Operates department stores in major Canadian cities; fur trading auction houses in London, Toronto and New York. Also, has real estate interests. Stores operate under the names The Bay, Zellers, Fields and Simpsons.

Principal Subsidiaries:

Hudson's Bay Company Acceptance Limited
Purchases accounts receivable.

Hudson's Bay Company Real Estate Limited
Property owning company.

Hudson's Bay Company Properties Limited
Property owning company.

Markborough Properties, Inc.
Property development company.

Simpsons Limited
Operates department stores.

Simpsons Acceptance Company Limited
Purchases accounts receivable.

The Bay Dept. Stores
Operates department stores.

Zellers, Inc.
Operates department stores.

Fields Stores Limited
Operates family clothing stores.

Hudson's Bay Company Fur Sales Inc.
Fur brokers.

Hudson's Bay New York Inc.
Fur brokers.

Transfer Agent(s):

The Royal Trust Company
Calgary, Montreal, Toronto, Vancouver & Winnipeg

The Royal Bank of Scotland PLC
London, England

Stock Exchange(s): Montreal, Toronto, London and Winnipeg.

Ticker Symbol: HBC

Number of Shares (at fiscal year end)

1987	390	1984	586
1986	303	1983	570
1985	581		

Sales & Earnings

	Sales & Revenues †	Net Income +
	(000's)	(000's)
1987	$ 4,533,081	$ (96,463)
1986	4,564,370	(7,395)
1985	4,166,486	(5,584)
1984	3,716,404	(107,434)
1983	3,367,720	64,900

	No. of Com. Shares	Earn. per Share ‡ +
1987	30,187,344	$ —
1986	29,532,745	—
1985	28,896,002	—
1984	23,787,166	—
1983	23,728,311	1.86

(Loss)
† Of continuing operations only.
+ Including extraordinary gains of $3,471,000 in 1985, $82,806,000 ($3.49 per share) in 1983 and extraordinary losses of $17,989,000 in 1987 and $40,373,000 in 1986.
‡ Based on the weighted average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	$ 0.60	—	—
1986	0.60	—	—
1985	0.60	—	—
1984	0.60	—	—
1983	0.60	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1987	$ 714,404,000	$ 23.67
1986	838,638,000	28.40
1985	880,753,000	30.49
1984	791,992,000	33.29
1983	933,928,000	39.36

Income Account * (000's)

Year ended Jan. 31	1988	1987
Net sales & revenues:	$ 4,344,844	$ 4,294,069
Merchandising	188,237	270,301
Real estate	4,533,081	4,564,370
Cost of sales & exp.	4,500,840	4,283,605
Interest expense	198,737	265,311
Inc. (loss) bef. taxes	$ (166,496)	$ 15,454
Income taxes (credit)	(85,069)	31,007
Loss-cont. oper.	$ (81,427)	$ (15,553)
Inc.-discont. oper.	2,953	48,531
Net Income (Loss)	$ (78,474)	$ 32,978
Extraord. loss	(17,989)	(40,373)
Net Income (Loss) & extraord. loss	$ (96,463)	$ (7,395)

* Included in Costs and Expenses, Depreciation and Amortization: $78,400,000 in 1987 and $79,414,000 in 1986.

Assets (000's)

As of Jan. 31	1988	1987
Cash	$ 5,379	$ 9,712
Marketable securities	25,261	94,474
Accts. receiv., net	1,027,663	1,149,612
Recov. inc. taxes	71,071	19,780
*Inventories	939,604	1,095,138
Prepaid expenses	37,796	35,897
Current Assets	$ 2,106,774	$ 2,404,613

Investments	74,089	387,293
Secured receiv.	146,481	106,870
#Fixed assets	867,639	912,724
Land for sale & devel.	207,396	290,371
Defer. charges	45,177	74,907
Pension	49,999	19,599
Intangibles	56,266	98,579
Deferred inc. taxes	40,375	—
Total Assets	$ 3,614,199	$ 4,294,956

Liabilities (000's)		
Notes payable	$ 374,319	$ 592,290
Bank indebtedness	200,017	348,377
Long-term debt, curr.	240,829	172,740
Accts. payable & accruals	455,491	613,715
Curr. Liabilities	$ 1,270,656	$ 1,627,122
Long-term debt	1,272,207	1,358,263
Deferred inc. taxes	—	32,660
Minority interest	—	62,882
+Redeem. pref. stock	355,399	373,715
+Common stock	406,566	392,987
Add. paid-in capital	13,837	10,478
Retained earnings–	290,076	432,807
Curr. trans. adjust.	5,458	4,042
Total Liabilities & Shareholders' Equity	$ 3,614,199	$ 4,294,956

* At lower of cost and net realizable value. Retail inventories at average cost.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Net Income to equity	—	2.72
Debt to Equity	1.95	1.95
Working Capital	$ 836,118,000	$ 1,077,491,000
Current Ratio	1.66	1.81
Shareholders' Equity	$ 1,071,336,000	$ 1,214,029,000

Imasco Limited

4 Westmount Square
Montreal, Quebec H3Z 2S8, Canada
(514) 937-9111

Officers: Paul Pare, chairman of the board; Purdy Crawford, president & chief executive officer; Roger S. Ackman, v.p. & general counsel; Roderick C. Foster, exec. v.p.; Robert C. Hegin, v.p.-treasury services; William J. Harris, sr. v.p.-administration; Roy R. Schwartz, .vp.-corporate development; Daniel E. Somers, exec. v.p. & chief financial officer & treasurer; Paul Ryan, v.p. & secretary; Torrance J. Wylie, sr. v.p.; Pierre Duhamel, v.p.-corp. finance; Richard L. Hall, v.p. & comptroller; Lise Pratte, asst. secretary.

Directors: Paul H. Pare *, chairman; Purdy Crawford *, Peter Kilburn, Jean-Louis Mercier, Murray B. Koffler *, Jack A. Laughery, Roderick C. Foster, David R. Bloom, Jean H. Richer, Paul E. Martin *, Daniel E. Somers.

* Member of the Executive Committee

Business Activities: Imasco Ltd. is a major Canadian consumer products and services corporation with operations in Canada and the United States. Imasco operates through five main divisions. Imperial Tobacco, Canada's largest tobacco and gift shops across Canada. Shoppers Drug Mart licenses and operates a chain of 553 franchised and company-owned pharmacies in Canada, specializing in prescription drugs, over-the-counter medication, health and beauty aids and cosmetics. Peoples Drug Stores operates a chain of 831 drug stores in 14 states and in Washington, D.C.; and Imasco USA operates and licenses a system of 2,747 restaurants principally under the name of Hardee's.

Divisions and Subsidiaries:

Imperial Tobacco
3810 St. Antoine Street West
Montreal, Quebec H4C 1B5, Canada
Manufactures and distributes cigarettes, fine cut tobaccos, and markets pipe tobaccos.

Imperial Leaf Tobacco
John Street North
Aylmer, Ontario N5H 2R8, Canada
Purchases and processes leaf tobacco for Imperial Tobacco and for export.

The UCS Group
50 Overlea Boulevard
Toronto, Ontario M4H 1B9, Canada
Operates a chain of 500 retail tobacco and gift shops in Canada.

General Cigar Company
Montreal, Quebec, Canada
Manufactures and distributes cigarettes.

Shoppers Drug Mart
Operates a group of 533 licensed and company-owned drug stores in Canada.

Top Drugs Mart
Toronto, Ontario, Canada

Pharmaprix
Montreal, Quebec, Canada

Super X Drugs
Downsview, Ontario, Canada

Imasco Resources
4 Westmount Square
Montreal, Quebec H3Z 2S8, Canada
Explores investment opportunities in natural resources and venture capital fields.

Imasco B.V.
Herengracht 495
1017 BT
Amsterdam, The Netherlands
Finances associated business.

Imasco Enterprises, Inc.
4 Westmount Square
Montreal, Quebec H3Z 2S8, Canada
Holds in excess of 98% of the outstanding common shares of Canada Trustco Mortgage Company, Canada's largest trust company and seventh largest financial institution.

Imasco U.S.A., Inc.
1233 North Church Street
Rocky Mount, North Carolina 27801
Operates and licenses 2,747 fast service restaurants principally under the name Hardee's in the U.S. and operates manufacturing and distribution facilities.

Burger Chef Systems, Inc.

Hardee's Food Systems, Inc.

Fast Food Merchandisers, Inc.

Grisanti, Inc.
Northern Italian Cuisine.

Specialty Food Service Division

Peoples Drug Stores, Inc.
6315 Bren Mar Drive
Alexandria, Virginia 22312
Operates a chain of 831 drug stores in 14 states and the District of Columbia.

Transfer Agent(s):

Montreal Trust Company
Montreal, Quebec, Canada
Halifax, Nova Scotia, Canada
Toronto, Ontario, Canada
Vancouver, British Columbia, Canada
Calgary, Alberta, Canada
Winnipeg, Manitoba, Canada
Regina, Saskatchewan, Canada

Stock Exchange(s): Montreal, Toronto, Vancouver

Ticker Symbol: IMS

Number of Stores: * (at fiscal year end)

1987	1,884	1984	1,467
1986	1,730	1983	1,447
1985	1,667		

* Excludes restaurant operations.

Sales & Earnings‡

	Net Sales # ($000's)	Net Income + ($000's)
1987	$ 5,621,074	$ 183,567
1986	5,325,134	261,745
1985	4,353,254	234,108
1984	2,873,151	205,080
1983	2,713,901	161,594

	No. of Com. Shares †	Earn. per Share + x
1987	119,122,833	$ 1.48
1986	108,908,146	2.40
1985	108,898,364	2.25
1984	102,108,696	2.14
1983	90,909,478	1.79

‡ In Canadian Dollars.
# Includes sales and excise tax.
+ Includes extraordinary gains of $10,908,000 ($0.11 per share) in 1984, $4,831,000 ($0.06 per share) in 1983 and extraordinary loss of $29,079,000 ($0.25 per share) in 1987.
† Adjusted to reflect stock splits.
x Based on the weighted average number of shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1987	$ 0.87	—	—
1986	0.75	—	—
1985	0.645	—	2-for-1
1984	0.50	—	—
1983	0.40	—	2-for-1

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity ‡	Equity Per Share †
1987	$ 1,897,118,000	$ 15.81
1986	1,511,291,000	13.52
1985	1,319,981,000	11.87
1984	982,221,000	9.49
1983	713,857,000	7.85

‡ After allowing for preferred shares at stated value.
† Adjusted to reflect stock splits.

Income Account
(000's)

Year ended March 31	1987	1986
Revenues	$ 5,625,074	$ 5,325,134
Sales & excise taxes	1,058,867	1,014,354
Oper. costs	4,206,667	3,844,910
Eq. in earn. of Imasco Enterprises	(88,620)	—
Oper. profit	$ 448,160	$ 465,870
Corp. expenses	23,425	20,020
Interest expense	156,788	38,658
Income before taxes	$ 267,947	$ 407,192
Income taxes	55,301	145,447
Net Income	$ 212,646	$ 261,745
Extraord. loss	(29,079)	—
Net Income & extraord. loss	$ 183,567	$ 261,745

Assets
(000's)

As of Mar. 31	1987	1986
Cash & term deposits	$ 40,229	$ 373,905
Accts. & notes receiv., net	264,773	232,627
#Inventories	970,888	1,026,881
Prepaid expenses	29,481	29,347
Current Assets	$ 1,305,371	$ 1,662,760

Investments & notes receiv.	101,505	82,174
@Fixed assets	970,763	921,506
Defer. charges	63,885	52,044
Intangibles	237,358	244,925
Investments	2,721,089	22,435
Total Assets	$ 5,399,951	$ 2,986,644

Liabilities (000's)

Bank indebtedness	$ 237,429	$ 347,408
Long-term debt, curr.	30,485	26,297
Accts. payable & accruals	499,199	439,302
Income & other taxes	492,282	71,450
Curr. Liabilities	$ 816,395	$ 704,457
Long-term debt	2,410,978	603,106
Long-term oblig. under cap. leases	21,465	26,406
Deferred inc. taxes	48,195	55,584
+ Preferred stock:		
6% Cumulative	5,800	5,800
7.375% retireable	200,000	—
+ Common stock	797,057	647,958
Gain on for. curr. trans.	13,613	39,204
Retained earnings	1,086,448	1,004,229
Total Liabilities & Shareholders' Equity	$ 5,399,951	$ 2,986,644

* At lower of cost or net realizable value.
@ Less accumulated depreciation.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	4.76	7.69
%Net Income to Sales	3.78	4.92
%Net Income to Equity	10.11	17.25
Sales to Inventories	5.79	5.19
Debt to Equity	1.38	0.60
Working Capital	$ 488,976,000	$ 879,303,000
Current Ratio	1.60	2.12
Shareholders' Equity	$ 2,102,918,000	$ 1,517,091,000

Ingles Markets, Incorporated

Highway 70 East
Black Mountain, North Carolina 28711
(704) 669-2941

Officers: Robert P. Ingle, chairman of the board & chief executive officer; Landy B. Laney, president & chief operating officer; Ronald S. Woodbery, vice president; Vaughn C. Fisher, vice president; Stephen G. Slade, vice president; J. Thomas Outlaw, Jr., vice president; Ralph H. Gardner, president of Milkco, Inc.; Jack R. Ferguson, v.p.-finance & chief financial officer; Robert A. Bryson, asst. treasurer; Rose M. Kuykendall, secretary.

Directors: Robert P. Ingle, chairman; Landy B. Laney, Ronald S. Woodbery, Vaughn C. Fisher, Stephen G. Slade, J. Thomas Outlaw, Jr., Ralph H. Gardner, James L. Jameson, Jr., John O. Pollard, J. Alton Wingate.

Areas of Work: Operates 128 Ingles supermarkets in North Carolina, South Carolina, Georgia, Tennessee, and Virginia. Also operates a milk processing and packaging plant.

Subsidiaries:

Sky King, Inc.
Milkco, Inc.

Transfer Agent(s):

First Union National Bank of North Carolina

Stock Exchange(s): Over-the-Counter

Ticker Symbol: IMKT-A (NASDAQ)

Number of Stores (at fiscal year end)

1987	122	1984	91
1986	110	1983	83
1985	99		

Sales & Earnings

	Net Sales	Net Income
1987	$ 666,870,000	$ 9,169,000
1986	590,653,000	8,650,000
1985	527,954,000	7,827,000
1984	470,281,000	5,307,000
1983	417,489,000	4,979,000

	No. of Com. Shares +	Earn. per Share ‡
1987	17,548,200	$ 0.63
1986	14,583,015	0.59
1985	14,583,015	0.54
1984	14,583,015	0.37
1983	14,309,126	0.35

+ Adjusted to reflect stock dividend and stock splits.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend and stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	$ 0.20	—	1-for-50 & 75-for-1
1986	0.14	—	—
1985	0.09	—	—
1984	—	3%	—
1983	0.06	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1987	$ 100,657,000	$ 5.74
1986	59,075,000	4.05
1985	52,369,000	3.59
1984	45,913,000	3.15
1983	40,530,000	2.85

‡ Adjusted to reflect stock dividend and stock splits.

Income Account

Year ended	9/26/87	9/27/86
Net sales	$ 666,870,194	$ 590,653,318
Cost of sales	516,037,284	458,039,311
Expenses	130,648,009	111,265,949
Rental income	(1,126,732)	(2,702,869)
Interest expense	9,728,725	9,097,165
Other income	(4,707,246)	(1,679,968)
Other expense	421,487	97,391
Income before taxes	$ 15,868,667	$ 16,536,339
Income taxes	6,699,222	7,886,591
Net Income	$ 9,169,445	$ 8,649,748

* Included in Costs and Expenses, Depreciation and Amortization: $8,925,286 in 1987 and $8,622,651 in 1986.

Assets

As of	9/26/87	9/27/86
Cash	$ 12,701,801	$ 8,319,198
Accts. receiv. net	41,720,704	3,843,869
*Inventories	60,621,869	51,444,847
Other curr. assets	4,209,756	2,824,628
Current Assets	$ 119,254,130	$ 66,432,542
@Fixed assets	147,047,529	140,945,948
Other assets	870,517	2,201,311
Total Assets	$ 267,172,176	$ 209,579,801

Liabilities

Long-term debt, curr.	$ 8,920,941	$ 19,258,888
Accts. payable	36,680,250	25,675,132
Accrued payroll	3,780,406	3,354,916
Accrued salary	3,618,068	3,199,299
Due to stockholders	452,595	—
Other payables	1,347,738	1,362,399
Curr. Liabilities	$ 55,000,002	$ 52,850,634
Long-term debt	90,830,016	89,162,188
Deferred gains on sale leased assets	14,097,479	267,[illegible]
Deferred inc. taxes	6,587,319	8,224,778
+Common stock:		
Class A	130,000	—
Class B	727,410	729,150
Add. paid-in capital	46,649,047	11,268,608
Retained earnings	53,330,903	47,077,120
Total Liabilities & Shareholders' Equity	$ 267,172,176	$ 209,579,801

* At lower of cost (average) or market.
@ Less accumulated depreciation and amortization.
+ $0.05 par value.

Statistical Summary

%Income bef. Taxes to Sales	2.38	2.80
%Net Income to Sales	1.37	1.46
%Net Income to Equity	9.11	14.64
Sales to Inventories	11.00	11.48
Debt to Equity	0.99	1.84
Working Capital	$ 64,254,128	$ 13,581,908
Current Ratio	2.17	1.26
Shareholders' Equity	$ 100,657,360	$ 59,074,879

INTERCO Incorporated

INTERCO Corporate Tower

101 South Hanley Road
St. Louis, Missouri 63105
(314) 863-1100

Officers: Harvey Saligman, chairman & chief exec. officer; Ronald L. Ayliward, vice chairman; Harry M. Krogh, president & chief operating officer; Eugene F. Smith, sr. v.p.-finance; Mark H. Lieberman, v.p.; Charles J. Rothschild, Jr., v.p.; R. Stuart Moore, v.p.; Richard B. Loynd, v.p.; Ronald J. Mueller, v.p.; Nathan S. Ancell, v.p.; Duane A. Patterson, secretary; Robert T. Hensley, Jr., treasurer; Stanley F. Huck, controller; Keith E. Mattera, gen. counsel & asst. secretary; Joann K. Pendleton, asst. secretary; William R. Withrow, asst. treasurer; Russell L. Baumann, asst. controller.

Directors: Nathan S. Ancell, Ronald L. Ayliward*, Zane E. Barnes, Thomas H. O'Leary, Charles J. Rothschild, Jr., Harvey Saligman*, Harry M. Krogh*, Robert H. Quenon, Donald E. Lasater*, Lee M. Liebenman, Marilyn S. Lewis, William E. Cornelius, Richard B. Loynd, R. Stuart Moore.

* Member of the Executive Committee

Operating Groups:

Apparel Manufacturing Group

Designs, manufactures and distributes a full range of popular-priced branded and private-label sportswear, casual apparel and outer garments and headwear for men and women. Sportswear and casual apparel is produced in 45 apparel manufacturing plants and shipped to customers from 10 major distribution centers. The principal products for men include: woven and knit slacks, knit shirts - both sport and dress - sport coats, three-piece vested casual sport suits, rainwear, golf jackets, heavy outer garments, car coats, stadium coats, sweaters, jeans, western wear, outerwear, headwear, swim wear and walk shorts. For women: sweaters, slacks, skirts, vests, jackets, shirts, jeans, suits dresses, pants, blouses, T-shirts, jumpers, culottes, blazers, rainwear, headwear, golf jackets, heavy outer garments, car coats and stadium coats. Major apparel brands for men include: Big Yank, Campus, Campusport, Chuck's, Clipper Mist, Converse, Cowden, Cowden Genes, Le Tigre, Donegal, JJ Cochran, Ed McMahon, John Alexander, London Fog, London Towne, Mainstain, Outdoors Unlimited, Private Line, Prince Bellini, Sportaboats, Tempo Europa, Rough Rider, Rugged Country, Tour de France, Startown,

INTERCO Incorporated

Tailor's Bench, Winning Edge: For women include: College-Town, Devon, It's Pure Gould, Lady Devon, London Fog, Pant-her, Maincosta, Queen Casuals, Stuffed Shirt, Outdoors Unlimited, The Petite Concept, REJOICE!, Abe Schrader, Blake, Candie's, C'est Petite, Chuck's Converse, Cowdon Genes, CT Sport, John Alexander, London Towne, Mallory & Crew, Ms. Blake, Schrader Sport Dresses, Schrader Sport Separates, Smith & Jones, Smith & Jones For Her, Smith & Jones Petites, Tour de France, Two Rivers, Vivaldi, Winning Edge.

Abe Schrader Corporation
New York, New York

Big Yank Corporation
350 Fifth Avenue
New York, New York 10001
(212) 736-9393

Cowdon Manufacturing Company
300 New Circle Road N.W.
Lexington, Kentucky 40501
(606) 254-6627

Megastar Apparel Group
Mack Centre Drive
Paramus, New York 07652
(201) 262-9100

The Biltwell Company, Inc.
1128 Washington
St. Louis, Missouri 63103
(314) 231-3850

Devon Apparel, Inc.
3300 Frankford Avenue
Philadelphia, Pennsylvania 19134
(215) 739-2000

College-Town, Inc.
College-Town Drive
Braintree, Massachusetts 02184
(617) 848-1200

International Hat Company
St. Louis, Missouri

Queen Casuals, Inc.
10175 Northeast Avenue
Philadelphia, Pennsylvania 19116
(215) 677-3000

Londontowne Corporation
London Town Road
Edgewood, Maryland 21784
(301) 795-5900

Stuffed Shirt Inc.
1407 Broadway
New York, New York 10018
(212) 997-1000

General Retail Merchandising Group
Operates 201 junior department stores, discount stores, men's and women's specialty apparel shops and supermarket-type hardware, lumber and building materials stores. The principal regional trading names include: Central Hardware, Fine's, Golde's, Sky City Discount Centers, Jeans Galore, and United Shirt.

Sky City Stores, Inc.
Asheville, North Carolina

Central Hardware Company
St. Louis, Missouri

Fine's Men's Shops, Incorporated
1166 Azalea Garden Road
P.O. Box 749
Norfolk, Virginia 23501
(703) 857-6013

Golde's Department Stores, Inc.
St. Louis, Missouri

United Shirt Distributors, Inc.
1927 Michigan Avenue
Detroit, Michigan
(313) 962-9895

Footwear Manufacturing and Retailing Group
Styles, manufactures and distributes primarily men's footwear in most major price categories in the United States and Canada, and manufactures and wholesales men's footwear in Australia. Facilities include 14 shoe manufacturing plants and 5 major distribution centers. The company also operates 778 retail shoe stores and leased shoe departments in 42 states in the U.S., and in Canada, Mexico and Australia. Major footwear retail trading names include: Florsheim Shoe Shops for men, Florsheim Thayer McNeil Men's and Women's Shops, Thompson, Boland & Lee, and Express Shop. Major footwear brands for men include: Ambassador, Florsheim, Florsheim Imperial, Royal Imperial by Florsheim, Hy-Test, Idlers by Florsheim, Weeds from Florsheim, Julius Marlow, Outdoorsman, Winthrop, Worthmore, Converse, among others; for women: Avenues, Converse, Thayer McNeil, Florsheim, Marshmallows, among others.

The Florsheim Shoe Company
Canal, Adams & Clinton Street
Chicago, Illinois 60606
(312) 329-7500

International Shoe Company
1509 Washington Avenue
St. Louis, Missouri 63166
(314) 342-7000

Smuck Shoes, Inc.
1248 Arden Boulevard
St. Louis, Missouri 63132
(314) 997-0330

Converse Inc.
North Reading, Massachusetts
Manufactures athletic footwear.

Furniture and Home Furnishings Group
Manufactures and distributes quality Broyhill furniture and home furnishings under the name of Ethan Allen/King and Restrocrat. There are 64 factories and 17 distribution centers and consolidated warehouses located throughout the United States. The Group also operates 24 galleries. Major retail trading names include: Carriage House, Georgetown Manor, Manor House, Broyhill Showcase Gallery and Georgetown.

Ethan Allen, Inc.
Danbury, Connecticut

Broyhill Furniture Industries, Inc.
Lenoir, North Carolina

Highland House, Inc.
Hickory, North Carolina
Manufactures upholstered furniture.

The Lane Company, Incorporated
Altavista, Virginia
Manufactures furniture.

Transfer Agent(s):

Morgan Shareholder Services Trust Company
New York, New York 10249
(212) 587-6434

Mercantile Bank, National Association
St. Louis, Missouri 63166
(314) 425-2755

Stock Exchange(s): New York, Midwest (common shares only).

Ticker Symbol: ISS

Number of Stores: (at fiscal year end)

	R... Stores	Shoe ...pts.	Gen'l. Retail Stores
1987	?/		201
1986			201
1985			248
1984	963		551
1983	778		847

Sales & Earnings x

	Net Sales ($000's)	Net Income ($000's)
1988	$ 3,341,423	$ 145,003
1987	2,946,902	125,774
1986	2,832,304	119,849
1985	2,910,679	95,493
1984	2,905,928	134,330

	No. of Com. Shares +	Earn. per Share +
1988	41,456,000	$ 3.50
1987	43,312,000	2.91
1986	43,408,000	2.75
1985	44,285,000	2.16
1984	44,698,000	3.00

x Restated to include operations of the Lane Company, Inc., acquired on a pooling of interests basis.
+ Based on the average number of common shares and common share equivalents outstanding fully diluted adjusted to reflect stock split.

Revenues by Line of Business
($000's)

	1988	1987
Apparel	$ 813,198	$ 817,660
General retail	532,251	498,324
Footwear	890,411	663,521
Furniture	1,105,563	967,397
Total	$ 3,341,423	$ 2,946,902

Common Stock

	Cash Dividend †	Stock Dividend	Stock Split
1988	$ 1.60	—	—
1987	1.57	—	3-for-1
1986	1.54	—	—
1985	1.515	—	—
1984	1.44	—	—

† Adjusted to reflect stock split.

Common Stock Equity x

	Total Equity +	Equity Per Share ‡
1988	$ 1,194,224,000	$ 33.01
1987	1,264,420,000	31.47
1986	1,214,126,000	29.94
1985	1,138,801,000	28.51
1984	1,149,233,000	27.87

x Restated.
+ After allowing for preferred shares at stated and involuntary liquidating value.
‡ Adjusted to reflect stock split.

Income Account *
($000's)

Year ended	2/29/88	?/28/87 ‡
Net sales	$ 3,341,423	$ 2,946,902
Other income	29,237	32,175
Total income	$ 3,370,660	$ 2,979,077
Cost of sales	2,284,640	2,000,423
Expenses	799,025	712,861
Interest expense	33,535	28,082
Income before taxes	$ 253,460	$ 237,711
Income taxes	108,457	111,937
Net income	$ 145,003	$ 125,774

* Included in Costs and Expenses, Depreciation: $62,772,000 in 1988 and $54,885,000 in 1987.
‡ Restated.

Assets
(000's)

As of	2/29/88	2/28/87 ‡
Cash	$ 20,849	$ 16,631
Marketable secur.	11,033	63,747
Accts. receiv., net	486,657	446,755
*Inventories	805,095	733,907
Prepaid expenses & other current assets	35,665	25,614
Current Assets	$ 1,359,299	$ 1,286,654
#Fixed assets	479,499	485,390
Other assets	146,788	153,383
Total Assets	$ 1,985,586	$ 1,925,387

Liabilities
(000's)

Notes payable	$ 70,517	$ 68,840
Long-term debt, curr.	8,172	11,915
Accts. payable & accruals	290,252	260,164
Income taxes	4,402	17,327
Curr. Liabilities	$ 373,343	$ 358,226
Long-term debt	257,327	135,019
Cap. lease oblig.	41,813	50,546
Other long-term liabilities	61,766	55,381
+Preferred stock	57,113	61,795
++Common stock	155,088	163,643
Add. paid-in capital	44,539	98,346
Retained earnings	1,179,964	1,099,006
Treasury stock	(185,367)	(96,475)
Total Liabilities & Shareholders' Equity	$ 1,985,586	$ 1,925,387

‡ Restated.
* At lower of cost (FIFO) or market except footwear and retail at LIFO.
# Less accumulated depreciation.
+ No par value; $100 stated value.
++ $7.50 stated value.

Statistical Summary

%Income bef. Taxes to Sales	7.59	8.07
%Net Income to Sales	4.34	4.27
%Net Income to Equity	11.59	9.48
Sales to Inventories	4.15	4.02
Debt to Equity	0.30	0.20
Working Capital	$ 985,956,000	$ 928,428,000
Current Ratio	3.64	3.59
Shareholders' Equity	$ 1,251,337,000	$ 1,326,215,000

Intermark, Inc.

1020 Prospect Street, Suite 200
P.O. Box 1149
La Jolla, California 92038
(619) 459-3841

Officers: Charles R. Scott, president & chief exec. officer; Frank C. Alexander, exec. v.p. & chief financial officer; Mitchell R. Woodbury, v.p., corporate counsel & secretary; Sandra J. Fry, asst. to president; Vernon A. LoForti, v.p.-finance; Render Crayton, chief administrative officer; Michael M. Earley, v.p.-corp. development; Richard F. Granis, treasurer; Gerard A. Wills, controller; Patty M. DeGaetano, asst. corp. secretary; Anita J. Cutchall, asst. corp. secretary; Mark G. Foletta, asst. controller.

Directors: Robert A. Elliott, Gordon C. Luce, John C. Monday, Charles R. Scott, Thomas N. Warner.

Areas of Work: Intermark is a conglomerate composed of nine subsidiaries with various products including electronics, printing, furniture and landscaping.

Selected Subsidiaries:

Dynamark, Ltd. (50% owned)
1333 S. Bon View Avenue
Ontario, California 91761
(714) 947-1212
Manufactures and distributes custom wheels in the U.S. Also supplies steel and cast aluminum wheels to original equipment manufacturers.

Munsen Sporting Goods Co., Inc.
350 East Paularino Avenue
Costa Mesa, California 92626
(714) 979-0110
Wholesale distributor of athletic products to retailers in the western United States.

Mission West Properties (52% owned)
110 Fifteenth Street
Del Mar, California 92014
(619) 481-5181
Develops and owns commercial real estate in western U.S.

Sunbelt Nursery Group, Inc. (50% owned)
500 Terminal Road
Fort Worth, Texas 76106
(817) 624-7253
Operates 131 retail garden centers and 23 leased departments at Sears stores through four operating companies: Nurseryland Garden Centers in Southern California, Tip Top Nursery in Arizona, Wolfe Nursery in Texas, and Green Bros. Nursery in Georgia.

Pier 1 Imports, Inc. (38% owned)
Suite 600
301 Commerce Street
Fort Worth, Texas 76102
(817) 878-8000
Specialty retailer of imported home furnishings and related gift items, with 396 outlets in 37 states and three Canadian provinces.

Transfer Agent(s):

First Interstate Bank of California

Stock Exchange(s): American

Ticker Symbol: IMI

Sales & Earnings

	Revenues ‡	Net Income +
1988	$ 600,445,000	$ 6,417,000
1987	512,971,000	3,319,000
1986	440,955,000	(3,648,000)
1985	386,283,000	(1,975,000)
1984	106,674,000	7,366,000

	No. of Com. Shares †	Earn. per Share † +
1988	7,733,000	$ 0.81
1987	7,725,000	0.38
1986	7,573,000	—
1985	7,555,000	—
1984	7,637,000	0.96

(Loss)
+ Including extraordinary loss of $7,000,000 ($0.90 per share) in 1988.
‡ Of continuing operations only.
† Based on the weighted average number of shares outstanding adjusted to reflect stock dividends and stock splits.

Revenues by Line of Business

	1988	1987
Import retailing	$ 327,095,000	$ 268,445,000
Garden products	142,369,000	132,788,000
Automotive prods.	59,178,000	55,967,000
Sporting goods distr.	40,403,000	40,358,000
Oper oper.	4,408,000	4,881,000
Eq. in inc. of unconsol. cos.	25,721,000	5,745,000
Corp.	1,271,000	4,787,000
Total	$ 600,445,000	$ 512,971,000

Common Stock

	Cash Dividend †	Stock Dividend	Stock Split
1988	$ 0.105	—	—
1987	0.105	33%	—
1986	0.092	10%	5-for-4
1985	0.088	—	—
1984	0.085	—	3-for-2

† Adjusted to reflect stock dividends and stock splits.

Common Stock Equity

	Total Equity	Equity Per Share †
1988	$ 57,781,000 ‡	$ 7.34
1987	47,337,000 ‡	6.45
1986	44,243,000	7.77
1985	45,816,000	8.08
1984	49,388,000	8.73

‡ After allowing for preferred stock at par value.
† Adjusted to reflect stock dividends and stock splits.

Income Account *
(000's)

Year ended March 31	1988	1987
Net sales	$ 573,369	$ 495,990
Eq. in inc. of unconsl. cos.	25,721	5,745
Other income	1,355	11,236
Total income	$ 600,445	$ 512,971
Cost of sales	325,327	284,641
Expenses	225,566	187,450
Interest expense	23,598	24,549
Income before taxes	$ 25,954	$ 16,331
Income taxes	5,198	6,992
Minority interest	7,339	7,154
Inc.-cont. oper.	$ 13,417	$ 2,185
Inc.-discont. oper.	—	1,134
Net Income	$ 13,417	$ 3,319
Extraord. loss	(7,000)	—
Net Income & extraord. loss	$ 6,417	$ 3,319

* Included in Costs and Expenses, Depreciation and Amortization: $15,909,000 in 1988 and $13,133,000 in 1987.

Assets
(000's)

As of March 31	1988	1987
Cash & cash equiv.	$ 11,903	$ 11,743
Market. securities	32,956	42,855
Receiv., net	29,270	30,702
*Inventories	151,299	124,880
Prepaid expenses	16,827	14,621
Current Assets	$ 242,255	$ 224,801
#Fixed assets	106,398	68,251
Investments	117,949	105,647
Intangibles	21,750	17,562
Other assets	16,262	9,714
Total Assets	$ 504,614	$ 425,975

Liabilities
(000's)

Short-term debt	$ 42,067	$ 27,709
Long-term debt, curr.	10,048	9,372
Acct. payable	44,538	33,452
Accruals	36,474	27,590
Income taxes	—	943
Curr. Liabilites	$ 133,127	$ 99,066

Long-term debt	233,029	214,372
Other liabilities	13,333	8,753
Minority interest	64,873	54,550
+Preferred stock	2,471	1,897
+Common stock	5,736	5,734
Add. paid-in capital	23,922	19,189
Retained earnings	28,123	22,414
Total Liabilities & Shareholders' Equity	$ 504,614	$ 425,975

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.53	—
%Net Income to Sales	2.34	—
%Net Income to Equity	22.27	6.74
Sales to Inventories	3.79	3.97
Debt to Equity	4.73	5.11
Working Capital	$ 109,128,000	$ 125,735,000
Current Ratio	1.82	2.27
Shareholders' Equity	$ 60,252,000	$ 49,234,000

IPCO Corporation

1025 Westchester Avenue
White Plains, New York 10604
(914) 682-4500

Officers: Robert Savin, chairman of the board, chief exec. officer; Charles V. Linfante, president & chief financial officer; Bernard Weissman, v.p.; D. Brody, v.p.; Howard M. Landa, v.p., general counsel & secretary.

Directors: Robert S. Savin, chairman; Walter J. Brotherton, I.W. Burnham, II, Max M. Low, Robert K. Low, Charles V. Linfante, Herbert L. Rosedale, June S. Rothberg, Howard M. Landa, Jack R. Wentworth.

Business Activities: Manufactures and distributes health care and related products. Retail activities include the operation of Uniforms by Gilson stores with outlets specializing in uniforms for waitresses and nurses. Also operates Sterling Optical which retails optical products such as glasses and contact lenses.

Divisions and Subsidiaries:

Medical Group

Whitestone Products
40 Turner Place
Piscataway, New Jersey 08854
(201) 752-2700
Manufactures non-woven and a variety of paper disposable products.

Uniforms by Gilson
2710 Hempstead Turnpike
Levittown, New York 11756
(516) 735-2600
Operates a chain of retail stores concentrated in the Greater New York Area.

Dental Group

Whaledent International
236 Fifth Avenue
New York, New York 10001
(212) 696-8000
Restorative dentistry products and systems.

Sterling Dental Centers
1025 Westchester Avenue
White Plains, New York 10604
(914) 682-4500
Builds and equips dental centers which are then leased to private dental corporations.

Optical Group

Sterling Optical
357 Crossways Park Drive
Woodbury, New York
(516) 364-2600
Operates a chain of retail optical centers in the United States and Canada.

Transfer Agent(s):

American Stock Transfer Company
99 Wall Street
New York, New York 10005

Stock Exchange(s): New York

Ticker Symbol: IHS

Number of Retail Centers: (at fiscal year end)

	Optical	Uniform Shops
1987	224	40
1986	205	41
1985	176	43
1984	155	43
1983	129	34

Sales & Earnings

	Net Sales +	Net Income #
1987	$ 210,546,000	$ (1,608,000)
1986	194,873,000	5,881,000
1985	191,111,000	4,858,000
1984	174,287,000	6,702,000
1983	152,491,000	6,511,000

	No. of Com. Shares ‡	Earn. per Share ‡ #
1987	5,280,572	$ —
1986	5,366,195	1.10
1985	5,276,325	0.92
1984	5,531,548	1.21
1983	5,431,265	1.20

(Loss)
+ Of continuing operations only.
# Including extraordinary gains of $300,000 ($0.05 per share) in 1984 and $1,043,000 ($0.19 per share) in 1983.
‡ Based on the average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1987	1986
Medical	$ 87,681,000	$ 85,663,000
Dental	23,270,000	22,444,000
Optical	99,595,000	86,766,000
Total	$ 210,546,000	$ 194,873,000

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	$ 62,002,000	$ 11.74
1986	66,499,000	12.39
1985	62,437,000	11.83
1984	61,211,000	11.07
1983	56,236,000	10.35

‡ Based on the average number of common shares and common shares equivalents outstanding.

Income Account *

Year ended June 30	1987	1986
Net sales	$ 210,546,000	$ 194,873,000
Cost of sales	105,698,000	96,841,000
Gain on sale of assets	—	(4,183,000)
Expenses	98,035,000	88,993,000
Other income	(1,358,000)	(239,000)
Interest expense	3,971,000	2,320,000
Facility closing costs	—	1,100,000
Income before taxes	$ 4,200,000	$ 10,041,000
Income taxes	1,764,000	3,386,000
Inc.-cont. oper.	$ 2,436,000	$ 6,455,000
Loss-discont. oper.	(4,044,000)	(574,000)
Net Income (Loss)	$ (1,608,000)	$ 5,881,000

* Included in Costs and Expenses, Depreciation and Amortization $7,481,000 in 1987 and $6,339,000 in 1986.

Assets

As of June 30	1987	1986
Cash	$ 5,209,000	$ 11,093,000
Accts. receiv., net	19,717,000	13,598,000
*Inventories	37,216,000	27,761,000
Prepaid expenses & other current assets	1,113,000	808,000
Net assets of discont. oper.	243,000	2,610,000
Current Assets	$ 63,498,000	$ 55,870,000
#Fixed assets	65,204,000	57,440,000
Other assets	1,291,000	3,564,000
Defer. charges	2,866,000	2,561,000
Intangibles	2,903,000	2,800,000
Net assets of discont. oper.	2,402,000	7,924,000
Total Assets	$ 138,164,000	$ 130,159,000

Liabilities

Long-term debt, curr.	$ 1,133,000	$ 1,099,000
Notes payable	8,000,000	—
Accts. payable	12,716,000	9,905,000
Accruals	4,916,000	4,269,000
Income taxes	351,000	355,000
Other taxes	2,367,000	1,643,000
Other current liabilities	6,202,000	4,332,000
Curr. Liabilities	$ 35,685,000	$ 21,603,000
Long-term debt	34,165,000	35,179,000
Deferred inc. taxes	5,134,000	5,435,000
Other liabilities	1,178,000	1,443,000
+Common stock	5,463,000	5,463,000
Add. paid-in capital	12,252,000	12,363,000
Retained earnings	47,165,000	50,637,000
Treasury stock	(2,878,000)	(1,964,000)
Total Liabilities & Shareholders' Equity	$ 138,164,000	$ 130,159,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Net Income to Equity	—	8.84
Sales to Inventories	5.66	7.02
Debt to Equity	0.70	0.55
Working Capital	$ 27,813,000	$ 34,267,000
Current Ratio	1.78	2.59
Shareholders' Equity	$ 62,002,000	$ 66,499,000

Jacobson Stores Inc.

3333 Sargent Road
Jackson, Michigan 49201
(517) 764-6400

Officers: J. R. Fowler, chairman of the board & chief executive officer; Mark K. Rosenfeld, president & chief operating officer; James B. Fowler, exec. v.p.-marketing; Nathan Forman, sr. v.p.-apparel merchandising; Paul W. Gilbert, exec. v.p. & chief financial officer; John F. Rickerby, sr. v.p.-stores; Donald Hathaway, v.p.-store group mgr.; Alan J. Herman, v.p.-electronic data processing; George E. McGlinnen, v.p.-home furnishings merchandising; Robert L. Moles, sr. v.p.-operations; Paul T. Machtel, v.p. & store group manager; Irma J. Nicholson, v.p.-sales promotion; Floyd H. Pond, v.p. & store group manager; Joseph Fisher, v.p. & gen. mdse. mgr.; Alan M. Mandel, v.p. & store group mgr.; Timothy J. Spalding, controller; Robert L. Emmet,

v.p. & divisional merchandise manager; Louis M. Landman, v.p. & divisional merchandise manager; Mary Lowery, v.p. & divisional merchandise manager; Kay Todd, v.p. & divisional merchandise manager; Richard Z. Rosenfeld, secretary; Robert M. Eaton, v.p. & treasurer; Frank W. Hones, asst. treasurer & asst. secretary.

Directors: J. R. Fowler, chairman; Herbert S. Amster, Frank Cousens, Jr., Raymond C. Fitzgerald, Edwin I. Goldring, Richard Z. Rosenfeld, Robert L. Rosenfeld, Mark K. Rosenfeld, Herman S. Kohlmeyer, Jr., Travis W. Pearse, Patricia Shontz Longe, Philip H. Power.

Business Activities: Owns and operates apparel and home furnishings stores in Michigan, Ohio and Florida.

Subsidiaries:

Jacobson Credit Corp.
3333 Sargent Road
Jackson, Michigan 49201

Jacobson Stores Realty Company
3333 Sargent Road
Jackson, Michigan 49201

Transfer Agent(s):

Manufacturers National Bank of Detroit
Detroit, Michigan

Stock Exchange(s): Over-the-Counter

Ticker Symbol: JCBS (NASDAQ)

Number of Stores: (at fiscal year end)

1987	21	1984	20
1986	20	1983	19
1985	20		

Sales & Earnings

	Net Sales †	Net Income
1987	$ 326,672,000	$ 10,542,000
1986*	308,460,000	11,927,000
1985	275,038,000	9,657,000
1984	240,689,000	5,431,000
1983	213,048,000	4,355,000

	No. of Com. Shares #	Earn.per Share #
1987	5,759,694	$ 1.83
1986*	5,698,880	2.09
1985	5,362,968	1.80
1984	4,851,900	1.12
1983	4,683,087	0.93

* 53 weeks.
† Including leased departments.
# Based on the weighted average number of common shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1987	$ 0.44	—	—
1986	0.333	—	3-for-2
1985	.021	—	3-for-2
1984	.01775	—	2-for-1
1983	0.1275	—	—

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share
1987	$ 67,166,000	$ 11.66
1986	58,276,000	10.52
1985	46,439,000	8.86
1984	35,662,000	7.45
1983	30,742,000 ‡	6.55

‡ After allowing for preferred stock at par value.

Income Account *
(000's)

Year ended	1/30/88	1/31/87 (53 weeks)
Net sales	$ 326,672	$ 308,460
Cost of sales	195,202	182,004
General & administrative expenses	108,301	100,276
Interest expense	5,891	6,119
Gain on sale of prop.	—	(1,714)
Income before taxes	$ 17,278	$ 21,775
Income taxes	6,736	9,848
Net income	$ 10,542	$ 11,927

* Included in Costs and Expenses, Depreciation and Amortization: $5,521,000 in 1987 and $4,773,000 in 1986.

Assets
(000's)

As of	1/30/88	1/31/87
Cash	$ 12,139	$ 31,860
Receiv., net	40,131	36,968
°Inventories	61,287	35,564
Prepaid expenses & other assets	1,705	1,220
Current Assets	$ 115,262	$ 125,612
#Fixed assets	76,369	56,278
Restricted funds	8,066	8,961
Eq. in fin. subsid.	6,643	6,272
Other assets	4,813	3,379
Total Assets	$ 211,153	$ 200,502

Liabilities
(000's)

Long-term debt, curr.	$ 2,492	$ 7,023
Accts. payable	24,477	23,508
Accruals	12,331	11,615
Accrued income taxes	1,821	4,222
Curr. Liabilities	$ 41,121	$ 46,368
Long-term debt	87,906	80,292
Deferred inc. taxes	7,449	8,392
Advances	6,543	6,315
Other liabilities	968	859
+Common stock	5,841	5,725
Add. paid-in capital	6,340	5,643
Retained earnings	55,384	47,307
Treasury stock	(399)	(399)
Total Liabilities & Shareholders' Equity	$ 211,153	$ 200,502

° At cost (LIFO) using retail inventory method.
Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	5.29	7.06
%Net Income to Sales	3.23	3.87
%Net Income to Equity	15.70	20.47
Sales to Inventories	5.33	5.55
Debt to Equity	1.35	1.50
Working Capital	$ 74,141,000	$ 79,244,000
Current Ratio	2.80	2.71
Shareholders' Equity	$ 67,166,000	$ 58,276,000

Jamesway Corporation

40 Hartz Way
Secaucus, New Jersey 07096-1526
(201) 330-6000

Officers: Herbert Fisher, chairman & chief executive officer; Arlie G. Lazarus, president & chief operating officer; Joseph Radecki, sr. v.p.-store operations; Barry Rockland, sr. v.p.-finance; Eric Zorn, sr. v.p.-administration; Gerald R. Fitzgerald, v.p.-personnel; Murray Kaplan, v.p.-advertising; Thomas Kiley, sr. v.p. & gen. mdse. mgr.-hardgoods; Andrew D. Loconti, v.p.-real estate; David Owens, v.p.-management information systems; Alfred Petrillo, v.p.-store planning & construction; Victor Scire, v.p.-sales promotion; Kenneth Simon, v.p.-new store development; Howard J. Blaugrund, secretary; Joseph Ettore, sr. v.p. & gen. mdse. mgr.-softgoods; Ralph Saltz, v.p.-legal, real estate; Joseph Pisercbia, v.p.-inventory control; Robert M. Quinn, v.p. & treasurer; Gary Kauffman, v.p. & controller; George Szpak, v.p.-store operations; James Varhol, v.p.-loss prevention.

Directors: Herbert Fisher*, chairman; Howard J. Blaugrund, Lee M. Bronster*, Kenneth Kwit, Arlie G. Lazarus*, Andrew D. Loconti*, Robert S. Bargar, Mortimer Steinberg, Brendan Byrne, Abraham Temkin, Howard Curd, Floyd Hall.

* Member of the Executive Committee

Business Activities: Operates a chain of discount department stores in New Jersey, New York, Pennsylvania, Virginia, Delaware and Maryland.

Subsidiaries:

Horizon Advertising Agency, Inc.
Route 197 Realty Co.
Omnia Protective Services, Inc.
Hardware Distributors, Inc.
J.M.Y. Portraits Inc.

all at:
40 Hartz Way
Secaucus, New Jersey 07096-1526

Transfer Agent(s):

Midlantic National Bank
Metro Park Plaza
P.O. Box 600
Edison, New Jersey 08818

Stock Exchange(s): New York

Ticker Symbol: JMY

Number of Stores: (at fiscal year end)

1987	111	1984	85
1986	100	1983	78
1985	91		

Sales & Earnings

	Net Sales	Net Income
1987	$ 701,412,000	$ 11,603,000
1986	612,392,000	12,124,000
1985	523,146,000	9,252,000
1984*	475,406,000	13,264,000
1983	416,773,000	11,509,000

	No. of Com. Shares †	Earn. per Share ‡
1987	13,838,000	$ 0.82
1986	13,896,000	0.85
1985	13,746,000	0.66
1984*	13,533,000	1.09
1983	11,225,000	1.00

† Adjusted to reflect stock split.
‡ Based on the weighted number of common shares and common share equivalents adjusted to reflect stock split.

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1987	$ 0.08	—	—
1986	0.06	—	2-for-1
1985	0.06	—	—
1984	0.05	—	—
1983	0.045	—	—

‡ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	$ 118,783,000	$ 8.58
1986	109,391,000	7.87
1985	97,314,000	7.08
1984	88,370,000	6.53
1983	63,497,000	5.66

‡ Adjusted to reflect stock split.

Income Account
(000's)

Year ended	1/30/88	1/31/87
Net sales	$ 701,412	$ 612,392
Other income	12,484	9,638
Total income	$ 713,896	$ 622,030
Cost of sales	493,262	426,030
Expenses	181,710	156,680
Depreciation & amortization	10,822	9,503
Interest expense	7,602	5,815
Income before taxes	$ 20,500	$ 23,094
Income taxes	8,897	10,970
Net Income	$ 11,603	$ 12,124

Assets
(000's)

As of	1/30/88	1/31/87
Cash & cash equip.	$ 25,882	$ 14,901
Receiv., net	6,280	5,029
*Inventories	168,491	138,464
Prepaid expenses & other curr. assets	7,412	6,877
Current Assets	$ 208,065	$ 165,271
#Fixed assets	71,289	64,739
Leased prop. under cap. leases	13,341	11,737
Other assets	5,197	4,912
Total Assets	$ 297,892	$ 246,659

Liabilities
(000's)

Long-term debt, curr.	$ 1,612	$ 2,021
Cap. lease oblig. curr.	835	740
Accts. payable	51,103	36,980
Accruals	15,108	11,098
Income & other taxes	7,818	6,842
Curr. Liabilities	$ 76,476	$ 57,681
Long-term debt	46,690	27,640
Deferred inc. taxes	15,913	13,669
Cap. lease oblig.	15,030	13,278
Conv. subord. debt	25,000	25,000
+Common stock	15,194	14,990
Add. paid-in capital	16,298	15,593
Retained earnings	92,655	82,166
Treasury stock	(5,364)	(3,358)
Total Liabilities & Shareholders' Equity	$ 297,892	$ 246,659

* At lower of average cost (LIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	2.92	3.77
%Net Income to Sales	1.65	1.98
%Net Income to Equity	9.77	11.08
Sales to Inventories	4.16	4.42
Debt to Equity	0.54	0.40
Working Capital	$ 131,589,000	$ 107,590,000
Current Ratio	2.72	2.87
Shareholders' Equity	$ 118,783,000	$ 109,391,000

Jay Jacobs, Inc.

1530 5th Avenue
Seattle, Washington 98101
(206) 622-5400

Officers: J. Jay Jacobs, chairman; Douglas A. Swerland, president; Craig Bohman, exec. v.p. & treasurer; Doris Williams, sr. v.p.-administration & secretary; Larry Youngren, sr. v.p.-store planning; Celestina Sze, v.p. & managing director-D.D. Sloane; Mary Ann Carson, v.p. & gen. mdse. mgr.-menswear; Charles E. Murphy, v.p..

Directors: J. Jay Jacobs, chairman; Craig Bohman, Douglas A. Swerland, Doris Williams, Larry Youngren.

Business Activities: Operates 139 specialty retail apparel stores, selling fashion forward apparel, in regional shopping malls in nine western states.

Subsidiaries:

D.D. Sloane
Imports and distributes women's sportswear, dresses and accessories which are sold to specialty retailers and department stores, as well as through the Company's retail stores.

D.D. Sloane (H.K.) Ltd.
Jay Jacobs of California, Inc.

Transfer Agent(s):

First Jersey Shareholder Services, Inc.
520 Pike
Seattle, Washington 98101

Stock Exchange(s): Over-the-Counter

Ticker Symbol: JAYJ (NASDAQ)

Number of Stores: (at fiscal year end)
1988 ..... 139 1987 121

Sales & Earnings

	Net Sales	Net Income †
1988	$ 103,738,000	$ 2,459,000
1987	93,393,000	3,508,000
1986	81,147,000	2,150,000
1985	70,595,000	1,016,000
1984	49,689,000	1,909,000

	No. of Com. Shares +	Ears. per Share † ‡
1988	5,794,913	$ 0.42
1987	4,785,689	0.69
1986	4,439,400	0.42
1985	4,459,650	0.20
1984	4,480,050	0.37

† Including extraordinary gain of $130,000 ($0.02 per share) in 1984.
+ Adjusted to reflect stock split.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues by Line of Business

	1988	1987
Apparel retail	$ 82,468,000	$ 71,387,000
Apparel wholesale	24,485,000	26,691,000
Intersegment	(3,215,000)	(4,685,000)
Total	$ 103,738,000	$ 93,393,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	—	—	—
1987	—	—	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	$ 25,359,000	$ 4.38
1987	11,947,977	2.50
1986	7,516,633 †	1.69
1985	5,446,196 †	1.22
1984	4,960,285 †	1.11

† After allowing for preferred stock at stated value.
‡ Adjusted to reflect stock split.

Income Account *

Year ended Feb. 28	1988	1987
Net sales	$ 103,738,000	$ 93,393,000
Cost of sales	74,559,000	64,033,000
Expenses	25,089,000	21,963,000
Interest expense	243,000	757,000
Interest income	(428,000)	(118,000)
Income before taxes	$ 4,275,000	$ 6,758,000
Income taxes	1,816,000	3,250,000
Net Income	$ 2,459,000	$ 3,508,000

* Included in Costs and Expenses, Depreciation and Amortization, $2,604,000 in 1988 and $2,403,000 in 1987.

Assets

As of Feb. 28	1988	1987
Cash	$ 7,231,000	$ 3,540,000
Accts. receiv., net	4,074,000	2,964,000
Refundable taxes	1,975,000	—
* Inventories	11,773,000	12,312,000
Prepaid expenses	68,000	40,000
Deferred inc. taxes	127,000	29,000
Current Assets	$ 25,248,000	$ 18,885,000
# Fixed assets	10,030,000	7,770,000
Total Assets	$ 35,278,000	$ 26,655,000

Liabilities

Long-term debt, curr.	$ —	$ 1,000,000
Accts. payable	7,259,000	7,043,000
Accrued payroll	969,000	905,000
Other accruals	1,183,000	1,385,000
Income taxes	—	516,000
Curr. Liabilities	$ 9,411,000	$ 10,849,000
Long-term debt	—	2,417,000
Accrued interest expense	—	1,026,000
Deferred credits	508,000	416,000
+ Common stock	12,123,000	1,170,000
Retained earnings	13,236,000	10,777,000
Total Liabilities & Shareholders' Equity	$ 35,278,000	$ 26,655,000

* At lower of cost or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

% Income bef. Taxes to sales	4.12	7.24
% Net Income to Sales	2.37	3.76
% Net Income to Equity	9.70	29.36
Sales to Inventories	8.81	7.59
Debt to Equity	—	0.29
Working Capital	$ 15,837,000	$ 8,036,000
Current Ratio	2.68	1.74
Shareholders' Equity	$ 25,359,000	$ 11,948,000

Jetronic Industries, Inc.

Main and Cotton Streets
Philadelphia, Pennsylvania 19127
(215) 482-7660

Officers: Daniel R. Kursman, chairman of the board, president & treasurer; Jerome I. Kursman, v.p. & secretary; Garth E. Bower, group v.p.; Leonard W. Pietrzak, v.p.-finance; Peter J. Kursman, v.p..

Directors: Daniel R. Kursman, chairman; Jerome I. Kursman, Garth E. Bower, Herbert Myers, William L. Weiss, Peter Kursman, David Silverman.

Business Activities: Operates two furniture and appliance stores in Greater Philadelphia under the name of "Levin's". Also operates "MMOS" stores, which retail marine merchandise in Ontario; British Columbia; Arlington Heights, Illinois; and Dearborn and Mt. Clements, Michigan. Other activities include: design and manufacture of electronic communication and navigation systems. The company also produces narrow tapes, shock cord, industrial straps, and related items.

Retail Divisions and Subsidiaries:

Harry Levin, Inc.
Engaged in the retail sale and servicing of furniture, appliances, home furnishings and related items in Pennsylvania and New Jersey locations.

Marine Mail Order Supply, Inc. (MMOS) (75% owned)
Engaged in the retail sale of marine accessories throughout Canada and in the U.S. Great Lakes area.

Transfer Agent(s):

Continental Stock Transfer Company
72 Reade Street
New York, New York 10007

Stock Exchange(s): American

Ticker Symbol: JET

Number of Stores: (at fiscal year end)

1987	7	1984	17
1986	14	1983	9
1985	14		

Sales & Earnings

	Revenues (000's)	Net Income † (000's)
1988	$ 61,784	$ (5,337)
1987	58,668	1,007
1986	51,273	1,510
1985	40,817	1,091
1984	36,468	641

	No. of Com. Shares ‡	Earn. per Share ‡ †
1988	2,457,000	$ —
1987	2,457,000	0.41
1986	2,454,000	0.62
1985	2,386,000	0.46
1984	2,222,000	0.28

(Loss)
† Including extraordinary gain of $10,000 in 1985 and extraordinary losses of $57,000 in 1988, $74,000 ($0.03 per share) in 1987 and $57,000 ($0.04 per share) in 1986.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.

Revenues by Line of Business
(000's)

	1988	1987
Jetronic: Electronic communication & navigation	$ 22,686	$ 21,809
Circuit boards & instrumentation systems	17,349	11,771
The Levin Group: Retail furniture & appliances	17,228	20,197
Narrow fabrics & tapes	4,521	4,891
Total	$ 61,784	$ 58,668

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	—	—	—
1987	—	10%	—
1986	—	10%	—
1985	—	10%	—

Common Stock Equity

	Total Equity	Equity Per Share +
1988	$ 7,183,000	$ 2.92
1987	12,432,000	5.06
1986	11,298,000	4.60
1985	9,598,000	4.02
1984	8,227,000	3.70

+ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.

Income Account*

Year ended Jan. 31	1988	1987
Net sales	$ 60,714,000	$ 57,564,000
Other income	1,070,000	1,104,000
Total income	$ 61,784,000	$ 58,668,000
Cost of sales	45,881,000	39,501,000
Expenses	18,908,000	15,457,000
Interest expense	2,106,000	1,562,000
Other costs & expenses	1,254,000	—
Income (loss) bef. taxes	$ (6,365,000)	$ 2,148,000
Income taxes (credit)	(1,085,000)	1,067,000
Net income (loss)	$ (5,280,000)	$ 1,081,000
Extraord. loss	57,000	(74,000)
Net income (loss) extraord. loss	$ (5,337,000)	$ 1,007,000

* Included in Costs and Expenses, Depreciation and Amortization: $914,000 in 1988 and $662,000 in 1987.

Assets

As of Jan. 31	1988	1987
Cash	$ 628,000	$ 81[illegible],000
Accts. receiv., net	15,198,000	14,939,000
*Inventories	16,620,000	19,816,000
Income tax refunds receiv.	655,000	—
Prepaid expenses	1,045,000	1,393,000
Current Assets	$ 34,146,000	$ 36,964,000
#Fixed assets	3,328,000	3,668,000
Goodwill	1,499,000	1,555,000
Other assets	629,000	835,000
Total Assets	$ 39,602,000	$ 43,022,000

Liabilities

Notes payable	$ 14,762,000	$ 13,945,000
Long-term debt	674,000	653,000
Accts. payable	3,136,000	2,576,000
Accrued payroll	329,000	438,000
Other accruals	5,994,000	3,768,000
Income taxes payable	—	844,000
Def. inc. taxes	—	420,000
Curr. Liabilities	$ 24,895,000	$ 22,644,000
Long-term debt	7,215,000	7,694,000
Minority interest	309,000	252,000
+Common stock	246,000	246,000
Add. paid-in capital	9,473,000	9,473,000
Cum. trans. adj.	71,000	(17,000)
Retained earnings (deficit)	(2,349,000)	2,988,000
Treasury stock	(258,000)	(258,000)
Total Liabilities & Shareholders' Equity	$ 39,602,000	$ 43,022,000

* At lower of cost (LIFO) or market; inventories of narrow fabrics and tape stated at FIFO.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	3.73
%Net Income to Sales	—	1.88
%Net Income to Equity	—	8.70
Sales to Inventories	3.65	2.90
Debt to Equity	1.00	0.62
Working Capital	$ 9,251,000	$ 14,320,000
Current Ratio	1.37	1.63
Shareholders' Equity	$ 7,183,000	$ 12,432,000

Jewelcor Incorporated

72 North Franklin Street
Wilkes-Barre, Pennsylvania 18773
(717) 824-8761

(The acquisition of the Company by JC Acquisition Corporation was approved by the Company's Board of Directors on April 11, 1988, subject to shareholder approval.)

Officers: Seymour Holtzman, president & chief exec. officer; Frank P. Cuscela, chairman of the board & chief operating officer; Joseph F. Litchmen, sr. v.p., chief financial officer, treasurer & secretary; Raymond Perlman, sr. v.p.-jewelry division; Robert V. Mayer, v.p.-administration.

Directors: Irving M. Baron, Fletcher C. Booker, Jr., Barry C. Boyer, Frank P. Cuscela, Seymour Holtzman, Jerome Goldstein, Joseph F. Litchman, Eugene Roth, Joseph J. Stuccio.

Business Activities: Sells jewelry and general merchandise at 22 catalog showrooms located in California, Florida, Illinois, New Jersey, Pennsylvania and Texas, and publishes merchandise catalogs. The Company also distributes name-brand watches, engages in high-speed commercial printing and related activities in the graphic arts.

Subsidiaries:

Gruen Marketing Corporation
(76% owned)
Sells watches at wholesale to retail chain and department stores.

Suburban Publishers
Exeter, Pennsylvania
Graphic arts, printing and binding.

S.A. Peck & Co.
Chicago, Illinois
Engaged in the showroom and mail order catalog sale of jewelry.

Robert M. Glass Co.
Los Angeles, California
Operates jewelry catalog showrooms and mail order.

Jewelcor Incorporated

Jewelcor Merchandising Company
Wilkes-Barre, Pennsylvania

Publishes an annual full color jewelry and merchandise catalog and various promotional flyers for use by the Company's and independent showroom operators.

Transfer Agent(s):

Registrar and Transfer Company
10 Commerce Drive
Cranford, New Jersey 07016

Stock Exchange(s): New York

Ticker Symbol: JC

Number of Retail Stores (at fiscal year end)

1987	17	1984	23
1986	22	1983	24
1985	23		

Sales & Earnings

	Net Sales +	Net Income
1987	$ 270,760,000	$ (956,000)
1986	235,476,000	8,361,000
1985	251,815,000	3,055,000
1984	229,376,000	1,318,000
1983	195,735,000	1,255,000

	No. of Com. Shares †	Earn. per Share †
1987	3,257,532	$ —
1986	3,431,601	2.44
1985	3,511,532	0.87
1984	4,084,193	0.32
1983	4,287,564	0.29

(Loss)

+ Of continuing operations only.
† Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues by Line of Business

	1987	1986
Catalogue	$ 111,680,000	$ 121,760,000
Watches	135,992,000	90,197,000
Graphic Arts	23,088,000	23,519,000
Total	$ 270,760,000	$ 235,476,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	—	—	—
1986	—	—	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	$ 44,596,000	$ 13.69
1986	45,498,000	14.00
1985	37,084,000	11.60
1984	39,266,000	10.20
1983	39,755,000	9.43

‡ Adjusted to reflect stock split.

Income Account*
(000's)

Year ended Jan. 31	1988	1987
Net sales	$ 270,760	$ 235,476
Cost of sales	208,276	178,486
Expenses	47,932	43,082
Depreciation & amortization	3,920	3,448
Prov. for shutdown of facil.	4,168	—
Interest expense	6,099	6,015
Gain on settlement of insur.	—	(1,700)
Gain on sale of stock of subsid.	—	(9,192)
Income before taxes	$ 405	$ 15,337
Income taxes	410	6,062
Minority interest	951	914
Net Income (Loss)	$ (956)	$ 8,361

Assets
(000's)

As of Jan. 31	1988	1987
Cash	$ 8,773	$ 5,725
Accts. receiv., net	33,991	25,249
*Inventories	86,849	92,861
Prepaid expenses	3,888	3,445
Deferred inc. taxes	5,197	1,263
Current Assets	$ 138,698	$ 128,543
#Fixed assets	34,842	36,759
Other assets	3,660	2,383
Intangibles	7,141	7,484
Total Assets	$ 184,341	$ 175,169

Liabilities
(000's)

Long-term debt, curr.	$ 1,969	$ 2,151
Oblig. under cap. leases, curr.	357	480
Banker's acceptances	13,250	31,600
Trade payables	34,497	34,921
Accruals	23,671	12,035
Income taxes payable	2,723	776
Curr. Liabilities	$ 76,467	$ 81,963
Long-term debt	37,179	22,865
Oblig. under cap. leases	2,377	3,140
Deferred inc. taxes	6,744	6,800
Negative goodwill	10,841	8,413
Minority interest	—	6,490
+Common stock	222,000	222
Add. paid-in capital	19,776	19,754
Retained earnings	31,962	32,918
Treasury stock	(7,364)	(7,396)
Total Liabilities & Shareholders' Equity	$ 184,341	$ 175,169

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.05 par value.

Statistical Summary

%Income bef. Taxes to Sales	0.15	6.51
%Net Income to Sales	—	3.55
%Net Income to Equity	—	18.38
Sales to Inventories	3.12	2.54
Debt to Equity	0.94	0.63
Working Capital	$ 62,231,000	$ 46,580,000
Current Ratio	1.81	1.57
Shareholders' Equity	$ 44,596,000	$ 45,498,000

John Lewis plc

4 Old Cavendish Street
London, W1A 1EX, England

Directors: P. T. Lewis, chairman; J. S. Sadler, deputy chairman; A. A. J. Anderson, W. N. Wreford-Brown, P. Falconer, L. H. Fletcher, J. B. Foster, S. Hampson, G. P. K. Miller, B. A. O'Callaghan, D. J. Rawlings.

Areas of Work: Operates 21 department stores in England and Scotland. Seven of these department stores operate under the name John Lewis, the rest under a variety of names. The Company also operates 82 Waitrose supermarkets in England.

Subsidiaries:

John Lewis Properties plc
Waitrose Limited
Cavendish Textiles Limited
Stead, McAlpin & Company Limited
Herbert Parkinson Limited
John Lewis Overseas Limited

Transfer Officer:

John Lewis plc
4 Old Cavendish Street
London, W1A 1EX, England

Stock Exchange(s): London

Number of Stores

1987	103

Sales & Earnings

	Net Sales	Net Income
1987	£ 1,568,373	£ 39,299
1986	1,369,593	29,946
1985	1,206,223	26,374
1984	1,072,063	24,964
1983	922,203	16,708

	No. of Com. Shares	Earn. per Share
1987	6,750,000	£ 5.82
1986	6,750,000	4.44

£ - Pound sterling.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	£ 0.07	—	—
1986	0.07	—	—

Common Stock Equity

	Total Equity ‡ (000's)	Equity Per Share
1987	£ 396,918	£ 58.80
1986	359,303	53.23

‡ After allowing for preferred stock at stated value.

Income Account *

Year ended Jan. 31	1987	1986
Net sales	£ 1,568,373	£ 1,369,593
Value added tax	132,687	115,642
Total income	£ 1,435,686	£ 1,253,951

Cost of sales	1,032,509	910,187
Expenses:		
Selling & distr.	259,025	227,496
Administrative	21,805	18,957
Pension costs	13,259	11,496
Interest expense	3,705	3,542
Interest income	—	(45)
Partnership losses	42,181	30,525
Income before taxes	£ 63,202	£ 51,597
Income taxes	23,903	21,651
Net income	£ 39,299	£ 29,946

* Included in Costs and Expenses, and Depreciation: £ 18,129,000 in 1987 and £ 15,772,000 in 1986.

Assets (000's)		
As of Jan. 31		
Cash	£ 12,887	£ 21,516
Investments	13,500	7,052
*Stocks	131,660	113,789
Debtors	110,000	97,484
Current Assets	£ 268,047	£ 239,841
Investment in affil co.	2,093	1,883
#Fixed assets	382,016	336,965
Total Assets	£ 652,156	£ 578,689

Liabilities (000's)		
Bank loans & overdrafts	£ —	£ 7,000
Accts. payable	66,441	78,069
Holding company	952	841
Other payables	9,829	9,079
Taxes & social security	62,483	62,524
Accruals & deferred income	14,289	8,533
Proposed dividend	500	770
Partnership losses	42,178	30,508
Curr. Liabilities	£ 196,672	£ 198,124
Long-term debt	56,316	19,012
+Preferred stock:		
5% first cumulative	1,500	1,500
7% cumulative	750	750
++Common stock	6,750	6,750
Share premium account	3,277	4,371
Revaluation reserve	78,380	79,416
Other reserves	1,365	1,365
Profit and loss account	307,146	267,401
Total Liabilities & Shareholders' Equity	£ 652,156	£ 578,689

* At lower of cost or net realizable value.
# Less accumulated depreciation.
+ No par value.
++ £ 1 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.03	3.77
%Net Income to Sales	2.51	2.19
%Net Income to Equity	9.85	8.28
Sales to Inventories	11.91	12.04
Debt to Equity	0.14	0.07
Working Capital	£ 71,375,000	£ 41,717,000
Current Ratio	1.36	1.21
Shareholders' Equity	£ 399,168,000	£ 361,553,000

Judy's Inc.

7710 Haskell Avenue
Van Nuys, California 91406
(213) 873-6200

Mailing address:
P.O. Box 9299
Van Nuys, California 91409-9917

Officers: Lawrence Israel, chairman of the board & treasurer; Marcia Israel, president & chief executive officer; Betty Gourley, v.p.-Outlet Division; Ben Sumner, v.p.-finance & secretary; Ronald Goldstein, v.p.-operations/store design; Irene Satz, v.p.-fashion direction; Bill Isaacs, v.p.-G.Hq., Inc..

Directors: Lawrence Israel, chairman; Marcia Israel, Preston Kline, Ben Sumner, Herbert Kern, Jack D. Steele.

Business Activities: Operates a chain of 71 Judy's retail apparel stores designed to appeal to young men and women. Also operates 31 separate men's apparel stores under the name G.Hq. These stores are located in California, Nevada, Texas, Arizona and New Mexico.

Subsidiaries:

Judy's Merchandising Corporation
570 Seventh Avenue
New York, New York 10018
(212) 921-8175

Judy's Fashion Valley, Inc.
Grasse, Inc.
G.Hq., Inc.

Transfer Agent(s):

Bank of America
National Trust & Savings Association
P.O. Box 37002
San Francisco, California 94137

Stock Exchange(s): Over-the-Counter

Ticker Symbol: JUDY (NASDAQ)

Number of Stores: (at fiscal year end)

1987	102	1984	78
1986	96	1983	74
1985	85		

Sales & Earnings

	Net Sales	Net Income
1988	$ 57,489,000	$ 7,000
1987	58,717,000	426,000
1986	56,729,000	1,170,000
1985	50,493,000	1,017,000
1984	46,667,000	1,525,000

	No. of Com. Shares ‡	Earn. per Share ‡
1988	4,529,000	$ —
1987	4,528,000	0.09
1986	4,526,000	0.26
1985	4,518,000	0.23
1984	4,512,000	0.34

‡ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1988	$ 0.06	—	—
1987	0.06	—	2-for-1
1986	0.06	—	—
1985	0.06	—	—
1984	0.06	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	$ 16,061,000	$ 3.55
1987	16,316,000	3.60
1986	16,167,000	3.57
1985	15,247,000	3.37
1984	14,501,000	3.21

‡ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Income Account *

Year ended Jan. 31	1988	1987
Net sales	$ 57,489,000	$ 58,717,000
Cost of sales	39,794,000	39,992,000
Expenses	18,015,000	17,532,000
Gain from sale of prop.	(700,000)	—
Interest expense	337,000	356,000
Income bef. taxes	$ 13,000	$ 837,000
Income taxes	6,000	411,000
Net Income	$ 7,000	$ 426,000

* Included in Costs and Expenses, Depreciation and Amortization: $1,838,000 in 1988 and $1,727,000 in 1987.

Assets

As of Jan. 31	1988	1987
Cash	$ 85,000	$ 51,000
Cash in trust	552,000	1,311,000
Accts. receiv., net	278,000	403,000
Receiv. from lessors	138,000	589,000
*Inventories	8,927,000	9,490,000
Prepaid expenses	841,000	844,000
Current assets	$ 10,821,000	$ 12,688,000
#Fixed assets	11,232,000	11,455,000
Other assets	2,228,000	2,247,000
Total Assets	$ 24,281,000	$ 26,390,000

Liabilities

Short-term bank borrowing	—	$ 1,000,000
Long-term debt, curr.	1,030,000	1,028,000
Accts. payable	2,897,000	3,188,000
Dividends pay.	68,000	68,000
Accruals	1,237,000	1,206,000
Inc. taxes	62,000	420,000
Curr. Liabilities	$ 5,294,000	$ 6,910,000
Long-term debt	478,000	1,175,000
Deferred inc. taxes	2,448,000	1,909,000
+Common stock	2,265,000	2,263,000
Add. paid-in capital	1,853,000	1,845,000
Retained earnings	11,943,000	12,208,000
Total Liabilities & Shareholders' Equity	$ 24,281,000	$ 26,390,000

* At lower of cost (FIFO) or market, determined by the retail inventory method.
# Less accumulated depreciation and amortization.
+ $0.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	0.02	1.43
%Net Income to Sales	0.01	0.73
%Net Income to Equity	0.04	2.61
Sales to Inventories	6.44	6.19
Debt to Equity	0.09	0.20
Working Capital	$ 5,527,000	$ 5,778,000
Current Ratio	2.04	1.84
Shareholders' Equity	$ 16,061,000	$ 16,316,000

Jumping-Jacks Shoes, Inc.

100 Fifth Street
Monett, Missouri 65708–
(417) 235-3122

Officers: John C. McPhee, president & chief executive officer; Gerald A. McCaffrey, executive v.p. & general manager; J. Wayne Fields, sr. v.p.-finance; Charles E. Hinkle, v.p.-administration & treasurer; Rose Mary Lobato, v.p. & general manager-Bernardo Division; James B. Pedley, v.p.-retail; Mario E. Moreno, v.p. & general manager-Jumping-Jacks Shoes Puerto Rico, Inc.; John J. McPhee, corporate v.p.; John E. Schaeffer, secretary.

Directors: John C. McPhee, Gerald A. McCaffrey, Rose Mary Lobato, Houston L. Hartley, Wilbur N. Lenz, Charles L. Smith.

Areas of Works Operates 26 retail shoe stores in California, Colorado, Kansas, Missouri, Nevada, Pennsylvania, South Carolina, Virginia, West Virginia, and the Commonwealth of Puerto Rico, primarily under the name Jumping-Jacks. The company also designs, manufactures and distributes footwear.

Transfer Agent(s):

Bank of America
San Francisco, California

Stock Exchange(s): American

Ticker Symbol: JJS

Number of Stores:

1987	26

Sales & Earnings

	Net Sales	Net Income †
1987	$ 39,291,000	$ (304,000)
1986	41,657,000	1,207,000
1985	34,925,000	905,000
1984	33,196,000	1,883,000
1983	30,430,000	2,019,000

	No. of Com. Shares ‡	Earn. per Share † ‡
1987	2,675,000	$ —
1986	2,675,000	0.45
1985	2,338,000	0.39
1984	2,000,000	0.94
1983	2,000,000	1.01

(Loss)
† Including an extraordinary gain of $380,000 ($0.19 per share) in 1983.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	—	—	—
1986	—	—	—
1985	—	—	200-for-275

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	$ 10,220,000	$ 3.82
1986	10,525,000	3.93
1985	9,318,000	3.99
1984	4,640,000	2.32
1983	2,881,000	1.44

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *

Year ended Apr. 30	1987	1986
Net sales	$ 39,290,601	$ 41,656,659
Cost of sales	26,580,419	28,548,330
Expenses	11,879,228	10,599,870
Interest expense	1,241,438	1,185,937
Other income	(311,508)	(193,713)
Income (loss) before taxes	$ (48,976)	$ 1,516,235
Income taxes	255,500	308,800
Net Income (Loss)	$ (304,476)	$ 1,207,435

* Included in Costs and Expenses, Depreciation and Amortization: $704,555 in 1987 and $481,249 in 1986.

Assets

As of Apr. 30	1987	1986
Cash	$ 372,864	$ 214,845
Accts. receiv., net	3,647,149	2,959,571
*Inventories	17,280,313	13,585,512
Prepaid expenses	787,228	636,924
Current Assets	$ 22,067,554	$ 17,396,852
#Fixed assets	4,252,060	3,720,724
Other assets	705,242	352,779
Total Assets	$ 27,024,856	$ 21,470,355

Liabilities

Revolv. credit agree.	$ 4,389,950	$ 6,500,000
Long-term debt, curr.	694,826	342,972
Accts. payable	1,612,754	1,380,432
Accruals	1,300,077	1,029,876
Income taxes	204,014	76,025
Curr. Liabilities	$ 8,201,621	$ 9,419,305
Long-term debt	8,420,887	1,285,712
Deferred inc. taxes	181,885	240,399
+Common stock	26,750	26,750
Add. paid-in capital	3,945,333	3,945,333
Retained earnings	6,248,380	6,552,856
Total Liabilities & Shareholders' Equity	$ 27,024,856	$ 21,470,355

* At lower of cost (primarily LIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	3.64
%Net Income to Sales	—	2.90
%Net Income to Equity	—	11.47
Sales to Inventories	2.28	3.07
Debt to Equity	0.89	0.16
Working Capital	$ 13,865,933	$ 7,977,547
Current Ratio	2.69	1.85
Shareholders' Equity	$ 10,220,463	$ 10,524,939

K Mart Corporation

3100 West Big Beaver Road
Troy, Michigan 48084
(313) 643-1000

Officers: Joseph E. Antonini, chairman, president & chief executive officer; Frederick M. Stevens, exec. v.p.-specialty retailing; Edward C. Andrews, v.p.-Midwestern Region; Roger E. Davis, sr. v.p., general counsel and secretary; Ronald R. Dejaeghere, v.p.-store planning & design; Gerald R. Fletcher, v.p.; James P. Churilla, v.p. & treasurer; Larry M. Parkin, exec. v.p.-K mart stores; James E. Ford, v.p.-Eastern Region; Glenn B. Smith, v.p. & pres.-K mart Apparel Corp.; Michael L. Skiles, v.p.-corp. facilities; A. Robert Stevenson, v.p.-public affairs; Bernard E. Thomas, sr. v.p.-personnel; Joseph R. Thomas, exec. v.p. & chief administrative officer; David P. Walling, v.p.-accounting administration; Richard O. Williams, v.p.-Central Region; Richard S. Miller, sr. v.p.-store operations; Thomas H. Nigolina, sr. v.p.-gen. mdse.; Glen R. Mielke, v.p.-Southwestern Region; James L. Moser, v.p. & merchandise systems coordinator; Thomas F. Mursky, v.p. & chief financial officer; Robert C. McAllister, v.p.-Southern Region; David M. Carlson, v.p.-corp. info. systems; Anthony N. Palizzi, v.p., assoc. gen. counsel & asst. secretary; Thomas W. Watkins, v.p.-Western Region; Michael G. Wellman, v.p.-marketing.

Directors: Joseph E. Antonini*, chairman; James F. Dere*, Carl A. Gerstacker*, David B. Harper*, Paul McCracken, Donald S. Perkins*, Willie D. Davis, Joseph D. Flannery*, Gloria M. Shatto, Larry M. Parkin, Frederick M. Stevens, Joseph R. Thomas, Bernard M. Fauber*, Robert E. Dewar*, Ellen R. Marram, F. James McDonald.

* Member of the Executive Committee

Business Activities: Operates a chain of 2,273 K mart Discount Stores in the United States, Canada, and Puerto Rico. K mart Apparel Corp. operates indoor ready-to-wear departments. Also operated Waldenbooks, a chain of 1,139 retail book stores; Buildings Square, a chain of 118 warehouse home centers; Pay Less Drug Stores Northwest, a chain of 254 retail drug stores; and Bargain Harold's, a chain with 150 discount stores in Canada.

Subsidiaries:

K mart Canada Limited
8925 Torbram Street
Brampton, Ontario M5B 1L3, Canada
(416) 366-3771

K mart Apparel Corp.
7373 Westside Avenue
North Bergen, New Jersey 07047
(201) 861-9100

K mart Insurance Services, Inc.
200 Treadway Plaza
Exchange Park
Dallas, Texas 75245
(214) 351-5361

Builders Square, Inc.
San Antonio, Texas

Pay Less Drug Stores Northwest, Inc.
Wilsonville, Oregon

Walden Book Company, Inc.
Stamford, Connecticut

Bargain Harold's Discount Ltd.
Downsview, Ontario, Canada

Makro, Inc. (51%-owned)
Operates four warehouse clubs offering general merchandise and food products in Cincinnati, Washington, D.C., Philadelphia, and Atlanta.

Transfer Agent(s):

National Bank of Detroit
Detroit, Michigan

Stock Exchange(s): New York, Pacific, Tokyo.

Ticker Symbol: KM

Number of Stores: (at fiscal year end)

1988	3,934	1985	3,520
1987	3,783	1984	2,547
1986	3,848		

Sales & Earnings

	Net Sales + ($000's)	Net Income † ($000's)
1988	$ 25,627,000	$ 692,000
1987	23,812,000	582,000
1986	22,035,000	221,000
1985	20,762,000	499,000
1984	18,380,000	492,000

	No. of Com. Shares ‡	Earn. per Share ‡ †
1988	202,000,000	$ 3.40
1987	199,000,000	2.90
1986	188,000,000	1.15
1985	188,000,000	2.56
1984	187,000,000	2.53

+ Of continuing operations only.
† Including extraordinary loss of $16,000,000 ($0.08 per share) in 1987.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1988	$ 1.16	—	—
1987	1.00	—	3-for-2
1986	0.92	—	—
1985	0.84	—	—
1984	0.72	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity (000's)	Equity Per Share ‡
1988	$ 4,409,000	$ 22.08
1987	3,939,000	19.66
1986	3,273,000	17.32
1985	3,233,800	17.24
1984	2,940,100	15.57

‡ Adjusted to reflect stock split.

Income Account * (000's)

Year ended	1/27/88	1/28/87
Net sales	$ 25,627,000	$ 23,812,000
Other income	351,000	340,000
Total income	$ 25,978,000	$ 24,152,000
Cost of sales	18,564,000	17,258,000
Expenses	5,296,000	4,936,000
Advertising	617,000	581,000
Interest expense	330,000	349,000
Income before taxes	$ 1,171,000	$ 1,028,000
Income taxes	479,000	458,000
Inc.-cont. oper.	$ 692,000	$ 570,000
Inc. - discont. oper.	—	28,000
Net income	$ 692,000	$ 598,000
Extraord. loss	—	16,000
Net income and extraord. loss	$ 692,000	$ 582,000

* Included in Costs and Expenses, Depreciation and Amortization: $401,000,000 in 1988 and $377,000,000 in 1987.

Assets (000's)

As of	1/27/88	1/28/87
Cash	$ 449,000	$ 521,000
*Inventories	5,571,000	5,153,000
Accts. receiv. & other curr. assets	353,000	390,000
Current Assets	$ 6,373,000	$ 6,064,000
Investments & advances	379,000	317,000
Leased prop. under cap. leases	3,744,000	3,594,000
Other assets & deferred charges	610,000	603,000
Total Assets	$ 11,106,000	$ 10,578,000

Liabilities (000's)

Long-term debt, curr.	$ 2,000	$ 4,000
Notes payable	—	296,000
Accts. payable	2,309,000	2,207,000
Accrued payroll taxes & other liabilities	606,000	639,000
Other taxes	242,000	223,000
Income taxes	211,000	162,000
Current Liabilities	$ 3,370,000	$ 3,531,000
Long-term debt	1,151,000	1,011,000
Oblig. under cap. leases	1,557,000	1,600,000
Deferred inc. taxes	200,000	182,000
Long term liab.	379,000	315,000
+Common stock	204,000	202,000
Add. paid-in capital	572,000	528,000
Retained earnings	3,806,000	3,347,000
Treasury stock	(98,000)	(37,000)
For. curr. trans. adj.	(75,000)	(101,000)
Total Liabilities & Shareholders' Equity	$ 11,106,000	$ 10,578,000

* At lower of cost or market using the retail method. Domestic inventories at LIFO; foreign at FIFO.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.57	—
%Net Income to Sales	2.70	—
%Net Income to Equity	15.70	14.78
Sales to Inventories	4.60	4.62
Debt to Equity	0.62	0.74
Working Capital	$ 3,003,000,000	$ 2,533,000,000
Current Ratio	1.89	1.72
Shareholders' Equity	$ 4,409,000,000	$ 3,939,000,000

Kay Jewelers, Inc.

320 King Street
Alexander, Virginia 22314
(703) 683-3800

Officers: Anthonie C. van Ekris, chairman & chief executive officer; Michael R. Lavington, president & chief operating officer; Joe Bernstein, sr. v.p.; Harry Braverman, sr. v.p.; John Rambo, sr. v.p.; Roldan Fernandez, v.p. & chief financial officer; John F. Kosik, v.p., secretary & general counsel; Timothy Braun, vice president; William Heide, vice president; Harold Schlackman, vice president; Frank Schmidt, vice president; William T. Sharp, vice president.

Directors: Anthonie C. van Ekris, chairman of the board; Joerg Bucherer, Whitney I. Gerard, Hugh K. Joyce, Michael R. Lavington, Oliver Stahel.

Business Activities: Operates 443 jewelry stores and leased departments in 34 states under the names Kay Jewelers, J.B. Robinson, Marcus & Co., and Black, Starr & Frost.

Subsidiaries:

Marcus & Co., Inc.
Operates 42 leased fine jewelry departments in major department stores.

Black, Starr & Frost, Ltd.
Retails exclusive jewelry in 16 store and hotel locations.

J.B. Robinson
Operates 94 jewelry stores primarily in the Midwest.

Transfer Agent(s):

Morgan Shareholders Services Trust Company
30 West Broadway
New York, New York 10007-2192

Stock Exchange(s): American

Ticker Symbol: KJI

Number of Retail Units (at fiscal year end)

	Stores	Leased Departments
1987	401	42
1986	399	53
1985	290	48
1984	290	48
1983	288	47

NOTE: Prior to May 1985, the Company was a wholly-owned subsidiary of Kay Corporation. At Dec. 31, 1985, 80.4% of the Company's stock was owned by Kay Corporation. On Dec. 31, 1986, Kay Corporation distributed its entire remaining investment in the Company to Kay Corporation shareholders.

Sales & Earnings

	Net Sales	Net Income
1987	$ 365,530,000	$ 10,489,000
1986	276,282,000	9,669,000
1985	230,389,000	7,481,000
1984	206,656,000	5,387,000
1983	182,038,000	4,080,000

	No. of Com. Shares ‡	Earn. per Share ‡
1987	9,940,000	$ 1.06
1986	9,960,000	0.97
1985	9,760,000	0.77
1984	9,471,000	0.57
1983	9,471,000	0.43

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	$ 0.32	—	5-for-4
1986	0.26	—	5-for-4 ‡
1985	0.13	—	—

‡ Distributed Mar. 20, 1987.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	$ 48,112,000	$ 4.84
1986	42,900,000	4.31
1985	35,781,000	3.67
1984	27,505,000	2.90
1983	25,638,000	2.71

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Income Account * (000's)

Year ended	1987	1986
Net sales	$ 365,530	$ 276,282
Other income	2,338	1,834
Total income	$ 367,868	$ 278,116
Cost of sales	160,050	123,867
Expenses	146,316	108,545
Prov. for doubtful accts.	23,808	16,847
Interest expense	19,404	9,840
Income before taxes	$ 18,290	$ 19,017
Income taxes	7,801	9,348
Net income	$ 10,489	$ 9,669

* Included in Costs and Expenses, Depreciation and Amortization: $8,755,000 in 1987 and $5,492,000 in 1986.

Kay Jewelers, Inc.

Assets
(000's)

As of Dec. 31	1987	1986
Cash	$ 1,508	$ 775
Accts. receiv., net	159,206	125,196
*Inventories	117,826	121,661
Prepaid expenses	3,145	4,115
Current Assets	$ 281,685	$ 251,747
#Fixed assets	42,280	39,613
Due from Kay Corp.	1,500	—
Values of leases acq.	2,192	2,630
Other assets	2,292	2,416
Intangibles	14,283	14,659
Total Assets	$ 344,232	$ 311,065

Liabilities
(000's)

Notes payable	$ 75,000	$ 38,500
Due to servicer	—	11,230
Long-term debt, curr.	11,200	1,200
Accts. payable	57,144	64,140
Accruals	22,728	25,346
Accrued payroll	6,258	5,156
Taxes payable	1,880	1,519
Deferred income taxes	5,672	4,161
Curr. Liabilities	$ 179,882	$ 151,252
Long-term debt	99,221	93,252
Deferred inc. taxes	17,017	23,661
+Common stock	9,960	9,960
Add. paid-in capital	17,724	17,724
Retained earnings	22,518	15,216
Treasury stock	(112)	—
Emp. stock subscrip - unpaid	(1,978)	—
Total Liabilities & Shareholders' Equity	$ 344,232	$ 311,065

* At lower of cost (LIFO) or market. J.B.R. inventories valued at retail method.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	5.00	6.92
%Net Income to Sales	2.87	3.50
%Net Income to Equity	21.80	22.54
Sales to Inventories	3.10	2.27
Debt to Equity	3.85	3.36
Working Capital	$ 101,803,000	$ 100,495,000
Current Ratio	1.57	1.66
Shareholders' Equity	$ 48,112,000	$ 42,900,000

Kelly, Douglas & Company, Limited

P.O. Box 2039
Vancouver, British Columbia V6B 3S1, Canada
(604) 665-1200

Officers: Richard J. Currie, chairman; R. J. Addington, president; S. K. Darkazanli, sr. v.p.-corporate development; D. M. McLellan, sr. v.p.-B.C. & Yukon region; Earle Barbour, v.p.-distribution services; M. D. Booty, sr. v.p.-Prairie Div.; D. G. Gibbs, v.p. & controller; R. J. Heys, v.p.-engineering & construction; Douglas W. Hunter, v.p.-real estate & development; F. L. Valair, v.p.-info. systems; A. W. Smith, v.p.-personnel and industrial relations; K. B. Williams, v.p.-corp. merchandising; D. N. DeLuca, v.p.-retail operations & marketing, B.C. & Yukon Region; A. E. Magner, v.p.-finance; T. M. Dyer, v.p., treasurer and secretary.

Directors: W. Galen Weston, Raymond J. Addington*, Richard J. Currie*, F. Mildred Douglas, Charles M. Humphrys*, C. Francis Murphy, K. W. Campbell*.

* Member of the Executive Committee

Business Activities: Engaged primarily in the wholesale and retail distribution of food and other products, and in dairy operations, operating in Western Canada.

Divisions and Subsidiaries:

Fairview Farms Limited
Foremost Foods Ltd.
Westfair Foods Ltd.
Westfair Wholesale Properties Ltd.
Western Commodities Ltd.
Wester Grocers, Ltd.
Tomboy Stores, Ltd.
Economart Ltd.
SuperValu Stores, Ltd.
Westfair Products (1981) Ltd.

Transfer Agent(s):

National Trust Company
Toronto & Vancouver, Canada

Stock Exchange(s): Toronto

Ticker Symbol: KLDQ (Toronto)

Sales & Earnings

	Net Sales (000's)	Net Income ‡ (000's)
1987	$ 2,099,736	$ 23,671
1986 *	2,041,038	32,740
1985	1,887,590	24,047
1984	1,702,045	18,301
1983	1,583,999	16,977

	No. of Com. Shares #	Earn. per Share # ‡
1987	6,327,098	$ 3.74
1986 *	6,327,098	5.17
1985	6,327,098	3.80
1984	6,327,098	2.89
1983	6,327,098	2.68

* 53 Weeks.
‡ Including extraordinary loss of $350,000 ($0.06 per share) in 1983.
# Based on Class A and B shares combined.

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1987	$ 0.35	—	—
1986	0.35	—	—
1985	0.35	—	—
1984	0.35	—	—
1983	0.35	—	—

‡ Paid in Class A shares.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	$ 249,579,000	$ 39.45
1986	231,602,000	36.60
1985	204,556,000	32.33
1984	186,203,000	29.43
1983	173,596,000	27.44

‡ Based on Class A and B Stock combined.

Income Account
(000's)

Year ended	1/2/88	1/3/87 (53 weeks)
Net sales	$ 2,099,736	$ 2,041,083
Investment income	3,650	4,283
Total income	$ 2,103,386	$ 2,045,366
Cost of sales	2,037,284	1,971,063
Depreciation & amortization	14,201	13,599
Interest expense	6,812	3,531
Income before taxes	$ 45,089	$ 57,173
Income taxes	21,358	24,369
Minority interest	60	64
Net Income	$ 23,671	$ 32,740

Assets
(000's)

As of	1/2/88	1/3/87
Cash	$ 304	$ 464
Accts. receiv., net	93,817	87,405
*Inventories	175,284	149,285
Prepaid expenses	2,997	1,997
Current Assets	$ 272,402	$ 239,151
#Fixed assets	175,517	159,953
Investments & other assets	22,863	28,993
Fixed assets under cap. leases	923	1,014
Defer. charges & intangibles	4,007	4,126
Total Assets	$ 475,712	$ 433,242

Liabilities
(000's)

Long-term debt, curr.	$ 1,270	$ 1,495
Cap. lease oblig., curr.	57	49
Accts. payable & accruals	155,352	141,522
Income taxes	10,681	7,978
Bank advances	38,587	27,958
Curr. Liabilities	$ 205,947	$ 179,002
Long-term debt	8,793	10,511
Cap. lease oblig.	1,275	1,332
Minority interest	595	595
Deferred inc. taxes	9,399	10,060
Deferred income	124	140
+Class A shares	41,717	41,717
+Class B shares	1,636	1,636
Retained earnings	206,226	188,249
Total Liabilities & Shareholders' Equity	$ 475,712	$ 433,242

* Retail store inventories are stated at the lower of cost and net realizable value less normal profit margin.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	2.15	2.80
%Net Income to Sales	1.13	1.60
%Net Income to Equity	9.48	14.14
Sales to Inventories	11.98	13.67
Debt to Equity	0.05	0.06
Working Capital	$ 66,455,000	$ 60,149,000
Current Ratio	1.32	1.34
Shareholders' Equity	$ 249,579,000	$ 231,602,000

Kenwin Shops, Inc.

505 Eighth Avenue
New York, New York 10018
(212) 695-1850

Officers: Irwin Moskowitz, chairman & president; Ira Abramson, v.p. & secretary; Richard Moskowitz, v.p. & asst. secretary; Robert Schwartz, v.p. & asst. treasurer; Kenneth Silberstein, treasurer.

Directors: Irwin Moskowitz, chairman; Richard Moskowitz, Robert Schwartz, Ira Abramson, Kenneth Silberstein, Martin L. Conrad, Henry Krauss.

Business Activities: Operates a chain of ladies' and children's apparel shops which are concentrated in the South, under the names Peyton Shops, Kenwin, Smart & Thrifty, Blends 'N' Trends, Suzanne, and Dixie.

Transfer Agent(s):

Registrar and Transfer Company
Cranford, New Jersey

Stock Exchange(s): American

Ticker Symbol: KWN

Number of Stores: (at fiscal year end)

1987	221	1984	229
1986	232	1983	222
1985	238		

Sales & Earnings

	Net Sales	Net Income +
1987*	$ 27,674,195	$ (288,014)
1986	27,934,425	(398,911)
1985	29,503,884	610,949
1984	28,655,405	1,007,736
1983	27,576,076	909,604

	No. of Com. Shares ‡	Earn. per Share ‡
1987*	406,418	$ —
1986	406,430	—
1985	433,608	1.42
1984	426,603	2.36
1983	422,417	1.21

(Loss)
* 53 weeks.
+ Including extraordinary gain of $149,000 ($0.35 per share) in 1984.
‡ Based on the weighted average number of shares outstanding.

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1987	$ 0.25	—	—
1986	0.80	—	—
1985	1.00	—	—
1984	0.80	—	—
1983	0.80	—	—

‡ Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	$ 6,795,443	$ 16.72
1986	7,185,308	17.68
1985	7,909,363	18.24
1984	7,906,517	18.53
1983	7,233,294	17.12

‡ Based on the weighted average number of shares outstanding.

Income Account

Year ended	1/3/88 (53 weeks)	12/28/86
Net sales	$ 27,674,195	$ 27,934,425
Cost of sales	17,853,844	17,785,900
Expenses	9,896,202	10,900,230
Depreciation & amortization	329,962	303,875
Interest income	(3,074)	(11,715)
Interest expense	162,749	70,046
Loss bef. taxes	$ (565,488)	$ (713,911)
Tax credit	(243,000)	(315,000)
Cum. effect of change in accntg. meth.	(34,474)	—
Net Loss	$ (288,014)	$ (398,911)

Assets

As of	1/3/88	12/28/86
Cash	$ 1,047,642	$ 1,115,503
Accts. receiv., net	4,604,100	4,686,148
*Inventories	4,821,289	5,037,082
Notes receivable	23,500	23,500
Prepaid expenses	320,580	472,346
Deferred inc. taxes	44,000	—
Current Assets	$ 10,861,111	$ 11,334,579
#Fixed assets	1,720,584	1,436,123
Other assets	43,721	62,354
Total Assets	$ 12,625,416	$ 12,833,056

Liabilities

Notes payable	$ 2,000,000	$ 1,200,000
Accts. payable	2,820,054	3,282,892
Accruals	445,446	545,410
Customers deposits	184,703	202,156
Other taxes	242,770	260,816
Curr. Liabilities	$ 5,692,973	$ 5,491,274
Deferred inc. taxes	137,000	156,474
+Common stock	464,212	464,212
Add. paid-in capital	674,049	674,049
Retained earnings	6,561,694	6,951,316
Treasury stock	(904,512)	(904,269)
Total Liabilities & Shareholders' Equity	$ 12,625,416	$ 12,833,056

* At lower of cost or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

Sales to Inventories	5.74	5.55
Debt to Equity	0.29	0.17
Working Capital	$ 5,168,138	$ 5,843,305
Current Ratio	1.91	2.06
Shareholders' Equity	$ 6,795,443	$ 7,185,308

Kinder-Care, Inc.

2400 Presidents Drive
Montgomery, Alabama 36116
(205) 277-5090

Officers: Perry Mendel, chairman of the board & chief executive officer; Richard J. Grassgreen, president, chief operating officer & secretary; Edward Gibson, exec. v.p.-child care; Eddie O. Habors, sr. v.p.-finance & treasurer; Charles B. Paterson, sr. v.p. & general counsel; Wayne Nelluma, v.p.-corporate taxes; L. Wayne Drury, corporate controller.

Directors: Perry Mendel, chairman; Richard J. Grassgreen, Aaron M. Aronov, Fred Berman, William L. Gauntt, Mark Sabel, Larry E. Wallock.

Business Activities: Through wholly owned subsidiaries, the Company operates a regional chain of 62 discount clothing stores in small towns in Alabama, Georgia and Mississippi under the name Bargain Town, and a chain of 198 discount shoe stores in the southeastern U.S. under the name Shoe City. The Company also provides child day care, educational, insurance, financial and related services.

Retail Subsidiaries:

Kinder-Care Specialty Retail Group, Inc.

Shoe City, Inc.
527 Buckingham Drive
Montgomery, Alabama 36116
(205) 281-0170

Bargain Town U.S.A., Inc.
Birmingham, Alabama

Other Subsidiaries:

Kinder Care Learning Centers, Inc.
Operates 1,130 day care centers in 40 states and two Canadian provinces.

Sylvan Learning Corporation
Offers diagnostic testing and prescriptive instruction through reading, math and related programs for children and adults at 39 company-owned and 372 franchised learning centers.

Pioneer Western Holdings Corporation
Owns Centerbanc Savings Association, a state-chartered savings and loan association offering financial services at 19 branches in Florida.

Pioneer Western Corporation
Provides life insurance and related products.

Western Reserve Life Assurance Co. of Ohio
Offers life insurance and other related products.

Portrait Industries Corporation
Provides picture and portrait services.

Transfer Agent(s):

First Alabama Bank
P.O. Box 5260
Montgomery, Alabama 36103-5260

Stock Exchange(s): Over-the-Counter

Ticker Symbol: KNDR (NASDAQ)

Number of Stores:

1987 260

Sales & Earnings

	Revenues	Net Income
12/31/87	$ 506,182,000	$ 26,303,000
12/31/86*	123,121,000	466,000
8/29/86	299,551,000	33,336,000
8/30/85	215,632,000	24,598,000
8/31/84	174,847,000	16,633,000

	No. of Com. Shares ‡	Earn. per Share ‡
12/31/87	46,536,000	$ 0.57
12/31/86*	44,741,000	0.01
8/29/86	44,687,000	0.75
8/30/85	39,265,000	0.63

* 18 weeks.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business
(000's)

	1987	1986
Child care	$ 252,476	$ 79,232
Financial services	203,489	33,872
Speciality retail	11,923	—
Corporate	64,332	19,361
Eliminations	(26,038)	(9,344)
Total	$ 506,182	$ 123,121

Common Stock Equity

	Total Equity	Equity Per Share ‡
12/31/87	$ 299,824,000	$ 6.44
12/31/86	231,845,000	5.18
8/29/86	233,588,000	5.23
8/30/85	201,985,000	5.14
8/31/84	98,889,000	—

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended Dec. 31	1987	1986 (18 weeks)
Revenues	$ 506,182	$ 123,121
Child card serv. exp.	227,926	71,717
Cost of sales	6,679	—
Expenses	53,594	15,928
Interest expense	95,224	10,833
Insurance benefits	53,949	15,149
Other expense	41,316	5,859
Income before taxes	$ 27,494	$ 3,635
Income taxes	1,191	2,270
Cum. effect of accntg. change	—	899
Net Income	$ 26,303	$ 466

* Included in Costs and Expenses, Depreciation and Amortization: $24,578,000 in 1987 and $4,874,000 in 1986.

Assets
(000's)

As of Dec. 31	1987	1986
Cash	$ 41,549	$ 40,625
Marketable securities	68,832	119,698
Accts. receiv., net	333,176	349,633
Prepaid expenses	69,233	28,653
Investments	601,617	458,585
Mortg.-backed secur.	538,851	82,815
#Fixed assets	348,690	292,983
Defer. charges	107,011	81,138
Total Assets	$ 2,108,959	$ 1,454,130

Liabilities
(000's)

Accts. payable & accruals	$ 31,271	$ 24,557
Savings deposits and adv.	835,519	563,149
Secur. sold under reparch. agree.	212,483	1,000
Insurance reserves	124,621	108,615
Deferred credits & other liab.	64,963	53,457
Long-term debt	540,278	471,507
+Common stock	24,394	22,375
Add. paid-in capital	172,279	123,761
Unreal. losses on secur.	(11,671)	(1,632)
Retained earnings	114,822	87,341
Total Liabilities & Shareholders' Equity	$ 2,108,959	$ 1,454,130

Less accumulated depreciation and amortization.
+ $0.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	5.43	2.95
%Net Income to Sales	5.20	0.38
%Net Income to Equity	8.77	0.20
Debt to Equity	1.80	2.03
Shareholders' Equity	$ 299,824,000	$ 231,845,000

The Kroger Co.

1014 Vine Street
Cincinnati, Ohio 45201
(513) 762-4000

Officers: Lyle Everingham, chairman of the board & chief exec. officer; Joseph A. Pichler, president & chief operating officer; Richard M. Koster, exec. v.p., David A. Burt, sr. v.p.; Walter R. Dryden, sr. v.p.; George A. Leonard, v.p. & general counsel; Lawrence Turner, v.p. & treasurer; Jack G. Hudson, group v.p.; Donald F. Dufek, group v.p.; Lorence T. Keller, group v.p.; Thomas E. Murphy, group v.p.; William J. Sinkula, group v.p. & secretary; Ray E. Dillon, Jr., chairman-Dillon Companies, Inc.; Richard W. Dillon, vice chairman-Dillon Companies, Inc..

Directors: Jackson C. Hinds*, Lyle Everingham*, T. Ballard Morton, Jr.*, W. George Pinnell, Ray E. Dillon, Jr.*, Richard W. Dillon, Joseph A. Pichler, William D. Atteberry*, John D. Ong, Patricia Shontz Longe, Thomas H. O'Leary, Raymond B. Carey, Jr., Otis M. Smith, John L. Clendenin.

* Member of the Executive Committee

Business Activities: Operates a chain of supermarkets in 29 states primarily in the South, Southwest and Midwest; operates a chain of convenience stores in 11 states; also conducts food processing operations.

Divisions and Subsidiaries:

Kroger Food Stores
Kroger Manufacturing

all located at:
1014 Vine Street
Cincinnati, Ohio 45201
(513) 762-4000

Dillon Companies, Inc.
Hutchinson, Kansas
Operates 643 convenience stores, 255 supermarkets, and a dairy.

Welcome, Inc.
Greenville, South Carolina
Operates a superwarehouse store in Greenville, South Carolina.

Price Savers Wholesale Warehouse, Inc.
Salt Lake City, Utah
Operates 12 membership warehouse clubs in Utah, Ohio, Washington, California, and Alaska.

Martac Corporation
Operates 47 Loaf 'N Jug convenience stores in southeastern Colorado, Hillside Dairy, and Four Hillside Milk Barns.

Acquisition:

Mini-Mart, Inc.
Casper, Wyoming
Operates convenience stores under the name Mini-Mart.

Transfer Agent(s):

Morgan Shareholder Services Trust Co.
30 Broadway
New York, New York 10007

Stock Exchange(s): New York, Midwest, Pacific

Ticker Symbol: KR

Number of Stores: (at fiscal year end)

	Supermarkets	Drug
1987	1,317	—
1986	1,298	—
1985	1,367	872
1984	1,318	575
1983	1,428	563

	Convenience
1987	889
1986	735
1985	643
1984	443
1983	352

Sales & Earnings

	Net Sales + (000's)	Net Income (000's)
1987	$ 17,659,730	$ 246,644
1986*	17,122,518	51,493
1985	15,966,620	180,750
1984	15,063,414	156,663
1983	14,446,823	127,079

	No. of Com. Shares †	Earn. per Share ‡
1987	$ 78,571,917	$ 2.99
1986*	84,063,921	0.55
1985	87,365,672	2.05
1984	90,171,566	1.74
1983	89,489,384	1.38

* 53 weeks.
+ Of continuing operations only.
† Adjusted to reflect stock split.
‡ Based on the average number of common shares outstanding adjusted to reflect stock split.

Revenues by Line of Business
(000's)

	1987	1986
Food stores	$ 16,048,000	$ 16,102,000
Convenience stores	598,000	480,000
Membership warehouses	299,000	171,000
Other	715,000	370,000
Total	$ 17,660,000	$ 17,123,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1987	$ 1.050	—	—
1986	1.025	—	2-for-1
1985	1.000	—	—
1984	1.000	—	—
1983	0.955	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity (000's)	Equity Per Share †
1987	$ 1,008,511 ‡	$ 12.84
1986	1,029,771 ‡	12.25
1985	1,188,670	13.61
1984	1,148,776	12.74
1983	1,072,852	11.99

‡ After allowing for preferred stock at par value.
† Adjusted to reflect stock split.

Income Account
(000's)

Year ended	1/2/88	1/3/87 (53 weeks)
Net sales	$ 17,659,730	$ 17,122,518
Cost of sales	13,696,363	13,162,582
Expenses	3,092,225	3,172,047
Rent expense	236,693	226,070
Depreciation & amortization	222,976	211,159
Div. & interest income	(11,048)	(12,744)
Interest expense	106,878	103,765
Special charge (credit)	(7,500)	164,025
Income before taxes	$ 323,143	$ 95,614
Income taxes	139,844	39,846
Inc. -cont. oper.	$ 183,299	$ 55,768
Loss - discont. oper.	—	(4,275)
Cum. effect of change in accntg method.	63,345	—
Net Income	$ 246,644	$ 51,493

Assets
(000's)

As of	1/2/88	1/3/87
Cash & cash invest.	$ 113,451	$ 212,156
Receivables, net	252,572	261,733
*Inventories	1,448,111	1,197,238
Property held for resale	115,146	100,891
Deferred inc. taxes	40,450	27,209
Prepaid and other curr. assets	185,752	148,384
Current Assets	$ 2,155,482	$ 1,947,611
#Fixed assets	2,136,904	1,968,472
Notes receivable	22,253	35,878
Invest. and other assets	145,487	134,486
Total Assets	$ 4,460,126	$ 4,086,447

Liabilities
(000's)

Long-term debt, curr.	$ 22,227	$ 44,830
Accts. & notes payable	1,320,466	922,712
Accrued inc. taxes	25,683	114,297
Other curr. liabilities	570,020	547,196
Oblig. under cap. leases, curr.	6,638	5,825
Accrued for special charges	17,694	75,763
Curr. Liabilities	$ 1,962,728	$ 1,710,623
Long-term debt	757,770	633,643
Oblig. under cap leases	229,000	196,981
Employee benfit fund	84,628	98,253
Deferred inc. taxes	292,489	292,176
+Preferred stock	125,000	125,000
++Common stock	423,778	409,953
Retained earnings	1,094,518	938,752
Treasury stock	(509,785)	(318,934)
Total Liabilities & Shareholders' Equity	$ 4,460,126	$ 4,086,447

* At lower of cost (principally LIFO) or market.
# Less accumulated depreciation.
+ $100 par value; cumulative auction shares.
++ $1 par value.

Statistical Summary

%Income bef. Taxs to Sales	1.83	—
%Net Income to Sales	1.40	—
%Net Income to Equity	21.76	4.46
Sales to Inventories	12.20	14.30
Debt to Equity	0.90	0.76
Working Capital	$ 192,754,000	$ 236,988,000
Current Ratio	1.10	1.14
Shareholders' Equity	$ 1,133,511,000	$ 1,154,771,000

Kyocera Corporation

5-22 Kitainoue-cho, Higashino
Yamashina-ku, Kyoto 607, Japan
(075) 592-3851

Directors: Kazuo Inamori, chairman & representative director; Shingo Moriyama, vice chairman & representative director; Kinju Anjo, president & representative director; Aan Jonishi, senior advisor & director; Haruki Tomooh, senior advisor & director; Ryozo Endo, senior advisor & director; Kensuke Itoh, executive v.p. & representative director; Toshinori Inamori, senior managing director; Masaaki Hiwatashi, senior managing director; Yoshimichi Aoyama, senior managing director; Shoichi Hamamoto, senior managing director; Yoshiteru Hamano, senior managing director; Keisuke Hasegawa, senior managing director; Yoshizo Yasuda, senior managing director; Masayuki Yamamoto, managing director; Kenichi Okagawa, managing director; Moritaka Arasaki, managing director; Katsumi Nishimura, managing director; Masao Kadota, managing director; Ryusho Nagai, director; Kikuo Nomura, director; Yoshiro Kawakami, director; Takashi Nakayama, director; Kenjiro Kimura, director; Shunji Nosaka, director; Toshihiko Teshirogi, director; Taiichi Akiyama, director; Koichi Nakamura, director; Masao Hori, director; Stuart Lubitz, director.

Business Activities: Operates seven company-owned retail jewelry stores in Japan. These stores feature the Company's Crescent Vert jewelry.

Activities other than retail include the manufacture and sale of products in three major segments: ceramic and related products for the electronics and other industries; electronic equipment consisting of communications, audio and business equipment; and optical and precision instruments consisting of cameras and camera lenses.

Subsidiaries and Affiliates (Japan):

Japan Solar Energy Co., Ltd.
Yohkaichi, Shiga Pref.

Kyocera Electronic Equipment Co., Ltd.
Shibuya-ku, Tokyo

Daini-Denden Inc.
Chiyoda-ku, Tokyo

Japan New-media System Co., Ltd.
Setagaya-ku, Tokyo

Subsidiaries and Affiliates (non-Japan)

Kyocera International, Inc.
8611 Balboa Avenue
San Diego, California

Kyocera America, Inc.
San Diego, California

Kyocera Electronics, Inc.
Somerset, New Jersey

Kyocera Northwest, Inc.
Vancouver, Washington

Kyocera Unison, Inc.
Berkeley, California

Kyocera Feldmuehle, Inc.
Mountain Home, North Carolina

Yashica, Inc.
Somerset, New Jersey

Kyocera Canada, Inc.
Mississauga, Ontario

Yashica Do Brasil-Industria e Comerico Ltda.
Sao Paulo, Brazil

Yashica Do Brasil-Exportacao e Industria Ltda.
Sao Paulo, Brazil

Feldmuehle Kyocera Europe

Elektronische Bauelemente GmbH
Esslingen-Zell, Federal Republic of Germany

YASHICA Kyocera GmbH
Hamburg, Federal Republic of Germany

Kyocera Electronics Europe GmbH
Dusseldorf, Federal Republic of Germany

Kyocera (Hong Kong) Ltd.
East Kowloon, Hong Kong

Universal Optical Industries Ltd.
Kowloon, Hong Kong

Transfer Agent(s):

Osaka Shoken Daiko Kabushiki Kaisha
Osaka, Japan

ADR Depositary:

Citibank, N.A.
111 Wall Street
New York, New York 10043

Stock Exchange(s): Tokyo, Osaka, Kyoto, New York*

Ticker Symbol: KYO (New York)* * Trades as an American Depositary Receipt (ADR).

Number of Stores:

1987	7

Sales & Earnings

	Net Sales (000's)	Net Income (000's)
1987	¥ 276,192,000	¥ 17,465,000
1986	279,103,000	18,385,000
1985	325,719,000	38,072,000
1984	251,180,000	29,654,000
1983	173,472,000	20,882,000

	No. of Com. Shares ‡	Earn. per Share ‡
1987	150,000,000	¥ 116.43
1986	150,000,000	122.57
1985	150,000,000	253.81
1984	150,000,000	210.78
1983	150,000,000	152.45

¥ - Yen
N.A. - Not Available.
‡ Adjusted to reflect stock split.

Revenues by Line of Business
(millions)

	1987	1986
Ceramic & related prods.	¥ 194,658	¥ 200,212
Electronic equipment	45,416	42,071
Optical & precision instruments	36,118	36,820
Total	¥ 276,192	¥ 279,103

Common Stock

	Cash Dividend+	Stock Dividend	Stock Split
1987	¥45.00	—	—
1986	44.00	—	—
1985	44.00	—	3-for-2
1984	33.80	—	—
1983	26.00	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity (000's)	Equity Per Share ‡
1987	¥ 299,886,000	¥1,999.24
1986	291,880,000	1,945.87
1985	286,516,000	1,910.11
1984	252,243,000	1,681.62
1983	161,556,000	1,077.04

‡ Adjusted to reflect stock split.

Income Account
(millions)

Year ended Mar. 31	1987	1986
Net sales	¥ 276,192	¥ 279,103
Cost of sales	198,680	199,516
Expenses	43,702	45,113
Interest expense	570	493
Interest income	(6,734)	(7,588)
For. curr. trans. loss	713	1,177
Other expense (income)	1,416	(2,542)
Income before taxes	¥ 37,843	¥ 42,934
Income taxes	20,378	24,549
Net Income	¥ 17,465	¥ 18,385

* Included in Costs and Expenses, Depreciation: ¥ 15,658,000,000 in 1987 and ¥ 16,959,000,000 in 1986.

Kyocera Corporation

Assets
(millions)

As of March 31.	1987	1986
Cash & demand deposits	¥ 3,857	¥ 3,956
Time deposits	130,240	65,057
Short-term invest.	52,449	36,138
Marketable securities	8,094	6,914
Accts. receiv., net	73,492	74,971
*Inventories	43,624	47,507
Deferred inc. taxes	6,289	6,177
Current Assets	¥ 318,045	¥ 240,720
Investments & advances	21,595	22,712
#Fixed assets	68,380	72,922
Other assets	18,632	18,650
Total Assets	¥ 426,652	¥ 355,004

Liabilities
(millions)

Long-term debt, curr.	¥ 4,559	¥ 2,768
Accts. payable	25,686	29,651
Accrued payroll	7,360	7,780
Accrued inc. taxes	12,953	7,592
Other current liabilities	9,243	8,308
Curr. Liabilities	¥ 59,801	¥ 56,099
Long-term debt	60,511	641
Other liabilities	6,082	6,146
Minority interest	372	238
+Common stock	34,023	34,023
Add. paid-in capital	98,883	98,883
Legal reserve	3,128	2,468
Retained earnings spec. allow.	2,124	1,980
Retained earnings	170,635	160,574
For. curr. trans. adjust.	(8,907)	(6,048)
Total Liabilities & Shareholders' Equity	¥ 426,652	¥ 355,004

* At lower of cost average & (FIFO) or market.
# Less accumulated depreciation.
+ ¥ 50 par value.

Statistical Summary
(thousands)

%Income bef. Taxes to Sales	13.70	15.38
%Net Income to Sales	6.32	6.59
%Net Income to Equity	5.82	6.30
Sales to Inventories	6.33	5.87
Debt to Equity	0.22	0.01
Working Capital	¥ 258,244,000	¥ 184,621,000
Current Ratio	5.32	4.29
Shareholders' Equity	¥ 299,886,000	¥ 291,880,000

The Limited, Inc.

Two Limited Parkway
P.O. Box 16000
Columbus, Ohio 43216
(614) 475-4000

Officers: Leslie H. Wexner, chairman of the board; Kenneth B. Gilman, exec. v.p. & chief financial officer; Thomas G. Hopkins, exec. v.p.-organizational development; William R. Gerber, v.p. & controller; Timothy B. Lyons, v.p.-taxes; Alfred S. Dietzel, v.p.-financial and public relations; Margaret T. Monaco, v.p. & treasurer; Bella Wexner, secretary.

Directors: , Leslie H. Wexner, chairman; Bella Wexner, Claudine Malone, David T. Kollat, John K. Pfahl, Donald B. Shackelford, John W. Kessler, Martin Trust, W. Arthur Cullman, Raymond Zimmerman, Allan R. Tessler.

Business Activities: Engaged in the sale of a wide range of medium-priced women's fashion apparel to the 20 to 40 age group. The Company also operates 348 Limited Express stores designed to appeal to younger women, 15 to 25 years of age. Merchandise is chosen to provide a coordinated mix of sportswear, dresses, coats and intimate apparel for the fashion-oriented customer. Through its Mast Industries, Inc. subsidiary, the Company also manufactures and distributes moderate-priced apparel appealing to the fashion-conscious consumer.

Subsidiaries:

Limited Stores
Operates 711 retail women's clothing stores.

Lane Bryant, Inc.
631 retail clothing stores plus mail order division.

Victoria's Secret
236 stores specializing in intimate apparel, plus mail order division.

Lerner Woman
An off-priced retail chain of 398 stores selling special size apparel.

Limited Express, Inc.
Operates 348 stores offering popular-priced sportswear and accessories for women 15 to 25 years of age.

Brylane, Inc.
Catalog retailer of women's special-size apparel and shoes.

Mast Industries, Inc.
Manufacture and distribution of women's apparel.

Limited Credit Corp.
Limited Credit Funding
Finance subsidiaries.

Lerner Stores Corporation
Chain of 770 stores, retailing women's apparel.

Henri Bendel
New York, New York
Women's specialty apparel store.

Limited Store Planning
Limited Real Estate
Limited Distribution Services

Acquisitions:

Abercrombie & Fitch
Operates 25 retail stores and a catalogue/mail order business, offering moderate to better-priced outdoor-oriented sportswear for men and women and related specialty non-apparel merchandise.

Transfer Agent(s):

Manufacturers Hanover Trust Company
Shareholders Relations Department
450 West 33rd, 8th Floor
New York, New York 10001

Stock Exchange(s): New York, London, Tokyo

Ticker Symbol: LTD

Number of Stores: (at fiscal year end)

1987	3,095	1984	1,412
1986	2,682	1983	937
1985	2,353		

Sales & Earnings

	Net Sales	Net Income
1987	$3,527,941,000	$ 235,188,000
1986	3,142,696,000	227,780,000
1985	2,387,110,000	145,317,000
1984*	1,343,134,000	92,495,000
1983	1,085,890,000	70,939,000

	No. of Com. Shares ‡	Earn. per Share ‡
1987	188,313,000	$ 1.25
1986	188,430,000	1.21
1985	182,819,000	0.80
1984*	180,631,000	0.51
1983	180,186,000	0.39

* 53 weeks.
‡ Based on the weighted average number of shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend‡	Stock Dividend	Stock Split
1987	$ 0.24	—	—
1986	0.16	—	3-for-2
1985	0.107	—	2-for-1
1984	0.08	—	2-for-1
1983	0.04	—	—

‡ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	$ 729,171,000	$ 4.08
1986	781,542,000	4.14
1985	404,075,000	2.25
1984	275,403,000	1.54
1983	192,576,000	1.08

‡ Adjusted to reflect stock splits.

Income Account *

Year ended	1/30/88	1/31/87
Net sales	$3,527,941,000	$3,142,696,000
Cost of sales	2,535,166,000	2,180,869,000
Expenses	583,903,000	523,598,000
Other income	(9,638,000)	(2,451,000)
Interest expense	40,322,000	45,900,000
Income before taxes	$ 378,188,000	$ 394,780,000
Income taxes	143,000,000	167,000,000
Net Income	$ 235,188,000	$ 227,780,000

* Included in Costs and Expenses, Depreciation and Amortization: $109,353,000 in 1987 and $97,393,000 in 1986.

Assets

As of	1/30/88	1/31/87
Cash & cash equiv.	$ 47,953,000	$ 3,256,000
Accts. receiv., net	95,060,000	72,878,000
*Inventories	353,693,000	361,489,000
Prepaid expenses	47,906,000	31,608,000
Current Assets	$ 544,612,000	$ 469,231,000
#Fixed assets	889,155,000	734,727,000
Other assets	76,669,000	67,628,000
Invest. in fin. subsid.	77,487,000	105,503,000
Total Assets	$1,587,923,000	$1,377,089,000

Liabilities

Accts. payable	$ 149,974,000	$ 169,112,000
Accruals	131,602,000	131,829,000
Income taxes	48,740,000	33,963,000
Curr. Liabilities	$ 330,316,000	$ 334,904,000
Long-term debt	343,000,000	70,430,000
Deferred inc. taxes	174,209,000	169,414,000
Other long-term liab.	11,227,000	20,809,000
+Common stock	94,837,000	94,398,000
Add. paid-in capital	205,328,000	199,434,000
Retained earnings	677,232,000	487,720,000
Unreal. loss on market. eq. secur.	(8,219,000)	—
Total Liabilities & Shareholders' equity	$1,587,923,000	$1,377,089,000

* At lower of average cost or market.
# Less accumulated depreciation.
+ $0.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	10.72	12.56
%Net Income to Sales	6.67	7.25
%Net Income to Equity	32.25	29.14
Sales to Inventories	9.97	8.69
Debt to Equity	0.47	0.09
Working Capital	$ 214,296,000	$ 134,327,000
Current Ratio	1.65	1.40
Shareholders' Equity	$ 729,171,000	$ 781,542,000

The Lionel Corporation

441 Lexington Avenue
Suite 703
New York, New York 10017
(212) 818-0630

Officers: Michael J. Vastola, chairman of the board, pres., chief exec. offic., treas., & chief fin. off.; Marvin J. Katz, sr. v.p.; George A. Padgett, senior vice president, secretary and general counsel; Robert F. Amweg, assistant controller; Louis P. Mongeluzzi, assistant secretary..

Directors: Michael J. Vastola, chairman; Comer S. Coppie, William M. Kallop, Marvin J. Katz, George A. Padgett, Robert F. Raisbeck, Douglas T. Tansill, Philomena D. Warihay, Donald J. Feerick.

Subsidiaries:

Lionel Leisure, Inc.
2951 Grant Avenue
Philadelphia, Pennsylvania 19114
(215) 671-3800

Operates a chain of 78 toy supermarkets in 16 states under the names Lionel Kiddie City, Lionel Playworld, and Lionel Toy Warehouse. Major product lines include toys, games, hobbies, wheelgoods, juvenile furniture, playground equipment, pools, sporting goods, and camping equipment.

Transfer Agent(s):

American Stock Transfer Co.
99 Wall Street
New York, New York 10005

Stock Exchange(s): American, Pacific

Ticker Symbol: LIO

Number of Stores: (at fiscal year end)

1987	78	1984	52
1986	65	1983	53
1985	56		

Sales & Earnings

	Net Sales +	Net Income ‡
1987	$ 340,838,846	$ 5,776,911
1986	282,666,962	8,664,436
1985	246,075,540	39,587,614
1984	225,038,012	20,703,338
1983	198,498,992	(6,854,607)

	No. of Com. Shares #	Earn. per Share # ‡
1987	13,482,729	$ 0.43
1986	13,429,363	0.65
1985	8,403,562	4.74
1984	7,104,956	2.91
1983	7,103,731	—

(Loss)
+ Of continuing operations only.
‡ Including extraordinary gains of $386,391 ($0.03 per share) in 1988, $20,294,237 ($2.41 per share) in 1985, and $10,117,700 ($1.42 per share) in 1984.
# Based on the average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	$ 81,970,378	$ 6.08
1986	75,986,757	5.66
1985	66,765,206	7.94
1984	(3,069,506)	—
1983	(25,048,768)	—

(Deficiency)
‡ Based on the average number of common shares and common share equivalents outstanding.

Income Account

Year ended	1/30/88	1/31/87
Net sales	$ 340,838,846	$ 282,666,962
Other income	2,722,001	5,094,640
Total income	$ 343,560,847	$ 287,761,602
Cost of sales	242,188,717	$ 287,761,602
Expenses	83,584,198	79,077,475
Depreciation & amortization	5,805,307	4,235,278
Interest expense	5,197,614	2,212,112
Inc. before taxes	$ 6,785,011	$ 10,707,106
Income taxes	2,946,307	2,042,670
Net Income	$ 3,838,704	$ 8,664,436
Extraord. gain	386,391	—
Cum. effect of accntg. change	1,551,816	—
Net Income & extraord. gain	$ 5,776,911	$ 8,664,436

Assets

As of	1/30/88	1/31/87
Cash	2,108,822	$ 2,993,426
Short-term invest.	48,984,607	50,800,000
Receivables, net	1,822,675	2,509,798
*Inventories	100,426,018	70,521,120
Prepaid expenses	3,753,218	3,216,580
Def. inc. taxes	—	1,201,000
Current Assets	$ 157,095,340	$ 131,241,924
#Fixed assets	48,532,589	32,874,321
Other assets	5,421,255	2,486,712
Total Assets	$ 211,049,184	$ 166,602,957

Liabilities

Long-term debt, curr.	$ 227,872	$ 217,572
Accts. payable	36,952,990	37,015,782
Accruals	—	13,293,938
Taxes	4,100,419	3,585,503
Curr. Liabilities	$ 56,352,480	$ 54,112,795
Long-term debt	67,990,726	34,312,405
Deferred credit	2,738,600	2,191,000
Deferred inc. taxes	1,997,000	—
+Common stock	1,366,940	1,366,940
Add. paid-in capital	62,839,703	62,747,923
Retained earnings	18,284,798	12,507,887
Treasury stock	(521,063)	(635,993)
Total Liabilities & Shareholders' Equity	$ 211,049,184	$ 166,602,957

* At lower of cost (retail method) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	2.82	3.79
%Net Income to Sales	1.59	3.07
%Net Income to Equity	4.68	11.40
Sales to Inventories	2.40	4.01
Debt to Equity	0.83	0.45
Working Capital	$ 100,742,860	$ 77,129,129
Current Ratio	2.79	1.01
Shareholders' Equity	$ 81,970,378	$ 75,986,757

Liz Claiborne, Inc.

1441 Broadway
New York, New York 10018
(212) 354-4900

Officers: Elisabeth Claiborne Ortenberg, chairman of the board, president and chief exec. officer; Arthur Ortenberg, vice chairman of the board and secretary; Jerome A. Chazen, vice chairman of the board; Harvey L. Falk, exec. v.p.-operations & corp. planning; Jay Margolis, exec. v.p.-Women's Sportswear Group, president; Terry S. Feldman, sr. v.p.-operations; Larry McDonald, sr. v.p.-corp. textile engineering; Nina E. McLemore, sr. v.p.-Accessories Division, president; Hank Sinkel, sr. v.p.-Misses Sportswear, sales; Robert Bernard, sr. v.p.-sportswear, sales; Kenneth Ganz, sr. v.p.-corp. distribution; Alois J. Lohs, sr. v.p.-manufacturing; Ellen Daniel, sr. v.p.-sportswear design; Dennis Gay, sr. v.p.-Collection Division, div. head; Jo Miller, sr. v.p.-Retail Division, co-president; Allen McNeary, sr. v.p.-Dress Division, president; Kathryn D. Connors, v.p.-human resources; Walter L. Krieger, v.p.-financial operations; Jeffrey H. Shendell, v.p.-allocations and sales support; Robert P. McKean, treasurer; Jack Listanowsky, v.p.-knitwear production; Claudia Woog, v.p.-corp. Far East operations.

Directors: Arthur Ortenberg, Jerome A. Chazen, Elisabeth Claiborne Ortenberg, Harvey L. Falk, Leonard Boxer, J. James Gordon, Sherwin Kamin.

Business Activities: Designs, contracts for the manufacture of, and markets an extensive range of women's apparel and accessories as well as men's sportswear. Also operates six retail clothing stores, primarily featuring the Company's sportswear, under the name First Issue; and markets fragrances and related products under the Liz Claiborne name.

Trademarks and/or Brand Names: Liz Claiborne, Lizwear, Liz, Claiborne, Lizsport, Dana Buchman, First Issue.

Divisions and Subsidiaries:

Collection Division
Sophisticated style of sportswear geared primarily for the career women's working needs.

Lizzport Division
Sportswear collections geared primarily for the home and the more casual working environment.

Lizwear Division
Casual style of sportswear geared primarily for weekend dressing needs.

Dress Division
A wide variety of dresses, including a knitwear collection in both the "Missy" and petite size ranges.

Claiborne (Menswear) Division
Men's sportswear.

Kayser-Roth Corporation
Manufactures and markets handbags, belts, scarves and other related accessories.

Liz Claiborne Cosmetics
Markets fragrances and related products under the Liz Claiborne name.

Transfer Agent(s):

The Chase Manhattan Bank, N.A.
1 New York Plaza
New York, New York 10081

Stock Exchange(s): Over-the-Counter.

Ticker Symbol: LIZC (NASDAQ)

Number of Stores:

1988	6

Liz Claiborne, Inc.

Sales & Earnings

	Net sales	Net Income
1987	$ 1,053,324,000	$ 114,414,000
1986	813,697,000	86,194,000
1985	556,553,000	60,580,000
1984	391,272,000	147,517,000
1983*	228,722,000	84,064,000

	No. of Com. Shares ‡	Earn. per Share ‡
1987	86,933,364	$ 1.32
1986	86,270,552	1.00
1985	85,395,824	0.71
1984	84,577,140	0.50
1983*	84,013,344	0.27

* 53 weeks.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends and stock split.

Common Stock

	Cash Dividend+	Stock Dividend	Stock Split
1987	$ 0.16	—	2-for-1
1986	0.12	—	—
1985	0.008	100% ‡	—
1984	0.05	100%	—
1983	—	100%	—

+ Adjusted to reflect stock dividends and stock split.
‡ Declared Feb. 25, 1986.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	$ 356,956,000	$ 4.11
1986	247,787,000	2.87
1985	162,729,000	1.91
1984	104,417,000	1.23
1983	64,498,000	0.77

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends and stock split.

Income Account * (000's)

Year ended	12/26/87	12/27/86
Net sales	$ 1,053,324	$ 813,697
Cost of sales	655,569	502,247
Expenses	194,686	146,289
Interest income	(4,956)	(4,341)
Income before taxes	$ 208,025	$ 169,302
Income taxes	93,611	83,108
Net Income	$ 114,414	$ 86,194

* Included in Costs and Expenses, Depreciation and Amortization: $5,880,000 in 1987 and $4,423,000 in 1986.

Assets (000's)

As of	12/26/87	12/27/86
Cash	$ 2,704	$ 2,628
Short-term invest.	157,762	101,441
Accts. receiv., net	80,591	57,718
*Inventories	156,375	114,879
Other curr. assets	26,557	17,721
Current Assets	$ 423,989	$ 294,387
#Fixed assets	53,140	36,798
Other assets	1,473	925
Total Assets	$ 482,369	$ 335,502

Liabilities (000's)

Long-term debt, curr.	$ 357	$ —
Note payable	—	4,900
Advances	—	2,409
Accts. payable	53,044	39,820
Accruals	43,374	24,166
Income taxes	6,412	7,921
Curr. Liabilities	$ 103,187	$ 81,216
Long-term debt	14,464	—
Deferred inc. taxes	7,762	6,499
+Common stock	87,136	43,279
Add. paid-in capital	29,889	21,404
Retained earnings	239,931	183,104
Total Liabilities & Shareholders' Equity	$ 482,369	$ 335,502

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income before taxes to Sales	19.75	20.81
%Net Income to Sales	10.86	10.60
%Net Income to Equity	32.05	34.79
Sales to Inventories	6.74	7.08
Debt to Equity	0.04	0.02
Working Capital	$ 320,802,000	$ 213,171,000
Current Ratio	4.11	3.62
Shareholders' Equity	$ 356,956,000	$ 247,787,000

Loblaw Companies Limited

22 St. Clair Avenue East
Toronto, Ontario M4T 2S8, Canada
(416) 922-2500

Officers: W. Galen Weston, chairman of the board; Richard J. Currie, president; Raymond J. Addington, exec. v.p.; David A. Nichol, exec. v.p.; David M. Williams, exec. v.p.; Brian Y. Davidson, exec. v.p.; Wayne E. East, v.p.-information services; David Bragg, sr. v.p.-planning & control; James H. Farrell, v.p., general counsel & secretary; John N. McCullough, v.p. & asst. gen. counsel; John W. Thompson, sr. v.p.-finance & administration; Donald G. Reid, v.p. & treasurer; Dorothy M. Loames, asst. secretary; Stewart E. Green, asst. secretary; Stephen A. Smith, controller; Richard P. Mavrinac, v.p.-taxation; Louise M. Lacchin, asst. treasurer; Glenn D. Leroux, asst. v.p.-risk mgmt.; Geoffrey H. Wilson, asst. v.p.-internal control.

Directors: W. Galen Weston, chairman; Richard J. Currie, Charles M. Humphrys, Robert H. Kidd, Roger A. Lindsay, Arthur H. Mingay, David A. Nichol, Shirley E. Robertson.

Business Activities: A Canadian holding company controlling major interests in food retailing and wholesaling in Canada and the United States. In addition to its food-related operations, Loblaw, through its subsidiaries, also participates in the Canadian general merchandise industries.

Divisions and Subsidiaries:

National Tea Company
Rosemont, Illinois
Operates supermarkets in the central United States.

Peter J. Schmitt Co., Inc.
Buffalo, New York
Wholesale and retail food distribution in the United States.

Loblaws Supermarkets Limited
Toronto, Ontario, Canada
Operates food stores in Ontario, Canada, under the Loblaws and Ziggys names.

Zehrmart Limited

Zehr's Markets Division
Cambridge, Ontario, Canada
Operates retail supermarkets under the Zehr's and Gordon names in southwestern and north central Ontario.

National Grocers Company, Limited
Toronto, Ontario, Canada
A wholesale organization supplying retail food stores and institutions throughout Ontario and Quebec.

Atlantic Wholesalers Limited
Sackville, New Brunswick, Canada
Wholesaler of groceries, meat and produce in the Maritime provinces.

Kelly, Douglas & Company, Limited (85% owned)
Vancouver, British Columbia, Canada
Engaged primarily in the wholesale and retail distribution of food and drug products, and also in extensive food manufacturing, catering, restaurant supply and dairy operations, operating mainly in Western Canada and the prairies.

Central Canada Grocers, Inc.
Toronto, Ontario, Canada

Combined Merchandisers, Inc.
Toronto, Ontario, Canada

Westfair Foods Ltd.
Winnipeg, Manitoba, Canada

Loblaw International Merchants
Toronto, Ontario, Canada

Intersave Buying & Merchandising Services
Toronto, Ontario, Canada

Capitol Stores Ltd.
Halifax, Nova Scotia, Canada
Operates a chain of six food stores.

Hickman, Coward and Wattles, Inc.
Buffalo, New York
Wholesale food operations.

Kotok & Helms Corporation
Buffalo, New York
Wholesale food operations.

Transfer Agent(s):

National Trust Company
Toronto, Montreal, Calgary, Winnipeg, Regina, Halifax & Vancouver, Canada

Stock Exchange(s): Toronto, Montreal, Vancouver

Ticker Symbol: LA(Class A); LA(Class B)

Number of Stores (at fiscal year end)

1987	361	1984	381
1986	380	1983	403
1985	363		

Sales & Earnings

	Net Sales (000's)	Net Income ‡ (000's)
1987	$ 8,630,700	$ 73,600
1986*	7,838,900	73,700
1985	6,931,100	67,100
1984	6,419,400	64,200
1983	6,091,019	52,747

	No. of Com. Shares +	Earn. per Share ‡ +
1987	72,427,009	$ 0.87
1986*	71,390,384	0.91
1985	71,305,892	0.85
1984	71,003,716	0.81
1983	70,933,146	0.66

* 53 weeks.
‡ Including extraordinary gains of $3,100,000 ($0.05 per share) in 1984 and $700,000 ($0.01 per share) in 1983.
+ Adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	—	—	—
1986	—	—	2-for-1

Common Stock Equity

	Total Equity ‡	Equity Per Share †
1987	$ 512,500,000	$ 7.08
1986	473,600,000	6.68
1985	413,500,000	5.85
1984	357,400,000	5.09
1983	303,724,000	4.33

‡ After allowing for preferred stock at redemption values.
† Adjusted to reflect stock split.

Income Account (000's)

Year ended	1/2/88	1/3/87 (53 weeks)
Net sales	$ 8,630,700	$ 7,838,900
Cost of sales & exp.	8,340,900	7,590,000
Depreciation	100,100	85,900
Interest expense	64,100	45,200
Income before taxes	$ 125,600	$ 118,200
Income taxes	48,400	39,200
Minority interest	3,600	5,300
Net Income	$ 73,600	$ 73,700

Assets (000's)

As of	1/2/88	1/3/87
Cash & invest.	$ 30,100	$ 75,800
Accts. receiv., net	251,500	219,800
*Inventories	658,000	599,300
Prepaid expenses	43,600	44,700
Current Assets	$ 983,200	$ 939,600
Investments	143,600	78,500
#Fixed assets	986,600	872,500
#Prop. under cap. leases	70,700	59,300
Defer. charges & intangibles	29,400	28,100
Total Assets	$ 2,213,500	$ 1,978,000

Liabilities (000's)

Bank advances & notes payable	$ 98,800	$ 50,900
Long-term debt, curr.	4,800	12,350
Cap. lease oblig.	4,000	6,300
Accounts payable & accruals	698,700	629,000
Taxes payable	36,500	40,300
Curr. Liabilities	$ 842,800	$ 738,700
Long-term debt	487,200	430,900
Cap. lease oblig.	91,500	68,600
Other liabilities	18,300	29,100
Deferred inc. taxes	45,000	16,700
Minority interest	38,400	38,800
+First pref stock:		
First series	22,000	22,000
Second series	11,100	11,300
+Second pref. stock:		
First series	30,000	30,000
Second series	25,000	25,000
Third series	75,000	75,000
+Junior pref. stock:		
First series	600	1,200
Second series	200	1,300
Third series	700	2,200
Fourth series	800	900
+Common stock	108,100	104,500
Add. paid-in capital	9,200	10,200
Retained earnings	395,700	347,500
Curr. trans. adj.	11,900	24,100
Total Liabilities & Shareholders' Equity	$ 2,213,500	$ 1,978,000

* At lower of cost and net realizable value.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	1.46	1.51
%Net Income to Sales	0.85	0.94
%Net Income to Equity	10.66	11.25
Sales to Inventories	13.12	13.08
Debt to Equity	0.99	0.87
Working Capital	$ 140,400,000	$ 200,900,000
Current Ratio	1.17	1.27
Shareholders' Equity	$ 690,300,000	$ 635,200,000

Longs Drug Stores, Inc.

141 North Civic Drive
P.O. Box 5222
Walnut Creek, California 94596
(415) 937-1170

Officers: J. M. Long, chairman of the board; R. M. Long, president & chief exec. officer; R. A. Scott, exec. v.p.; R. A. Plomgren, sr. v.p.-development; D. G. DeSchane, vice president; G. A. Duey, vice president; T. R. Sweeney, vice president; B. M. Brandsen, vice president; R. W. Wilson, vice president; D. D. England, vice president; D. R. Wilson, vice president; V. H. Howe, vice president; R. W. Vienop, vice president; M. Baird, vice president; W. G. Combs, v.p.-administration & treasurer; S. D. Routh, sr. v.p.-marketing; O. D. Jones, sr. v.p.-real estate & secretary; L. C. Anderson, v.p.-personnel; R. W. Boyd, v.p.-professional affairs; Grover White, v.p. & controller.

Directors: J. M. Long, T. J. Long, N. C. Adams, R. M. Long, I. W. Rowland, Samuel B. Stewart, Ronald A. Plomgren, D. E. McHenry, R. A. Scott, T. R. Sweeney, S. D. Routh, W. G. Combs, E. E. Johnston.

Business Activities: Operates a chain of drug stores located in California, Hawaii, Alaska, Nevada and Colorado.

Transfer Agent(s):

Bank of America N.T. & S.A.
San Francisco, California 94120

Stock Exchange(s): New York

Ticker Symbol: LDG

Number of Stores: (at fiscal year end)

1988	229	1985	191
1987	222	1984	178
1986	208		

Sales & Earnings

	Net Sales	Net Income
1988	$ 1,772,460,000	$ 49,218,000
1987	1,635,442,000	38,594,000
1986	1,480,830,000	37,718,000
1985	1,375,769,000	40,094,000
1984	1,214,443,000	36,387,000

	No. of Com. Shares ‡	Earn. per Share ‡
1988	20,545,000	$ 2.33
1987	21,142,000	1.78
1986	21,741,000	1.74
1985	21,335,000	1.88
1984	21,236,000	1.72

‡ Based on the weighted average number of common stock and common stock B shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend‡	Stock Dividend	Stock Split
1988	$ 0.79	—	—
1987	0.75	—	—
1986	0.70	—	—
1985	0.62	—	3-for-1
1984	0.55	—	—

‡ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	$ 299,809,000	$ 14.37
1987	290,444,000	13.74
1986	289,838,000	13.33
1985	260,907,000	12.23
1984	224,402,000	10.57

‡ Based on the weighted average number of common stock and common stock B shares outstanding adjusted to reflect stock split.

Income Account* (000's)

Year ended Jan. 31	1988	1987
Net sales	$ 1,772,460	$ 1,635,442
Cost of sales	1,333,195	1,241,324
Expenses	284,117	258,334
Occupancy	66,830	60,890
Income before taxes	$ 88,318	$ 74,894
Income taxes	39,100	36,300
Net Income	$ 49,218	$ 38,594

* Included in Costs and Expenses, Depreciation: $14,273,000 in 1987 and $12,565,000 in 1987.

Assets (000's)

As of Jan. 31	1988	1987
Cash & short term invest.	$ 20,335	$ 12,999
*Inventories	192,319	181,029
Prepaid expenses & deposits	21,883	16,716
Current Assets	$ 234,537	$ 212,744
#Fixed assets	239,490	229,693
Total Assets	$ 474,027	$ 442,437

Liabilities (000's)

Accts. payable	$ 96,748	$ 84,264
Compensation	23,282	17,797
Income taxes	4,324	6,973
Other taxes	18,460	16,474
Other liabilities	12,999	11,038
Curr. Liabilities	$ 155,813	$ 136,546
Deferred inc. taxes	18,405	15,447
+Common stock	10,273	10,571
Add. paid-in capital	21,395	13,682
Contrib. to profit sharing	4,500	5,299
Retained earnings	263,641	260,892
Total Liabilities & Shareholders' Equity	$ 474,027	$ 442,437

* At lower of cost (LIFO) or market.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	4.98	4.58
%Net Income to Sales	2.78	2.36
%Net Income to Equity	18.67	13.29
Sales to Inventories	9.22	9.03
Working Capital	$ 78,724,000	$ 76,198,000
Current Ratio	1.51	1.56
Shareholders' Equity	$ 263,641,000	$ 290,444,000

Lowe's Companies, Inc.

State Highway 268 East
Box 1111
North Wilkesboro, North Carolina 28656
(919) 651-4000

Officers: Robert L. Strickland, chairman of the board; Leonard G. Herring, president & chief executive officer; Wendell R. Emerine, exec. v.p.; Dwight E. Purdue, sr. exec. v.p.-real estate; William H. McElwee, Sr., managing director & general counsel; Arnold N. Lakey, v.p.-credit; Richard D. Elledge, v.p., chief accounting officer & secretary; Harry B. Underwood, II, sr. v.p.-finance & treasurer; John W. Vining, Jr., v.p.-administration; Leslie G. Shell, III, controller; W. Nathan Mitchell, asst. secretary; William C. Warden, Jr., asst. secretary; William F. Reins, asst. treasurer.

Directors: Petro Kulyayeh, William H. McElwee, Sr., Leonard G. Herring, Robert L. Strickland, Russell B. Long, Gordon E. Cadwgan, Robert G. Schwartz, Jack C. Shewmaker, William A. Andres, John M. Belk.

Business Activities: Operates a group of merchandise stores specializing in lumber, building materials, hardware, appliances and a variety of other consumer products. Stores are located in 21 states, principally in the South.

Transfer Agent(s):

Wachovia Bank & Trust Company, N.A.
Box 3001
Winston-Salem, North Carolina 27102

Morgan Shareholders Services Trust Company
30 West Broadway
New York, New York 10015

Stock Exchange(s): New York, Pacific, London

Ticker Symbol: LOW

Number of Stores: (at fiscal year end)

1987	295	1984	248
1986	300	1983	238
1985	282		

Sales & Earnings

	Net Sales	Net Income ‡
1988	$ 2,442,177,000	$ 61,180,000
1987	2,283,480,000	52,219,000
1986	2,072,569,000	59,714,000
1985	1,688,738,000	61,433,000
1984	1,430,576,000	50,615,000

	No. of Com. Shares +	Earn per Share + ‡
1988	39,719,000	$ 1.54
1987	39,029,000	1.34
1986	36,509,000	1.64
1985	36,248,000	1.70
1984	36,193,000	1.40

+ Based on the weight average number of shares outstanding.
‡ Including extraordinary loss of $2,885,000 ($0.07 per share) in 1986.

Revenues by Line of Business
(000's)

	1988	1987
Structural lumber	$ 476,000	$ 419,000
Bldg. commod. & millwork	723,000	698,000
Home decor. & illum.	284,000	265,000
Kitch., bath & laundries	221,000	221,000
Housing, cooling & water syst.	120,000	110,000
Home entertainment	103,000	107,000
Recreation, yard, patio, garden & farms	207,000	177,000
Tools	82,000	65,000
Spec. order sales	226,000	221,000
Total	$ 2,442,000	$ 2,283,000

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1988	$ 0.43	—	—
1987	0.40	—	—
1986	0.36	—	—
1985	0.32	—	—
1984	0.32	—	—

‡ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share +
1988	$ 582,436,000	$ 14.66
1987	540,534,000	13.85
1986	407,373,000	11.16
1985	341,348,000	9.42
1984	291,305,000	8.05

+ Based on the weighted average number of shares outstanding.

Income Account
(000's)

Year ended Jan. 31	1988	1987
Net sales	$ 2,442,177	$ 2,283,480
Cost of sales	1,858,240	1,724,370
Expenses	433,672	382,812
Depreciation	38,546	30,474
Emp. retire. ben.	21,700	23,950
Interest expense	19,474	13,748
Store closings	9,758	—
Income before taxes	$ 90,787	$ 108,126
Income taxes	34,833	53,022
Net Income	$ 55,954	$ 55,104
Extraord. loss	—	(2,885)
Cum. effect of change in accntg.	5,226	—
Net Income & extraord. loss	$ 61,180	$ 52,219

Assets
(000's)

As of Jan. 31	1988	1987
Cash & short-term invest.	$ 43,889	$ 50,013
Accts. receiv., net	117,932	118,693
*Inventories	373,846	368,135
Def. inc. taxes	9,472	—
Other curr. assets	7,325	10,042
Current Assets	$ 552,464	$ 546,883
#Fixed assets	453,008	413,220
Other assets	21,857	9,116
Total Assets	$ 1,027,329	$ 969,219

Liabilities
(000's)

Long-term debt, curr.	$ 11,674	$ 9,902
Short-term notes pay.	240	—
Accts. payable	157,089	163,260
Emp. retire. benefit pay.	3,767	22,971
Accrued payroll	15,370	14,002
Other liabilities	43,766	47,168
Curr. Liabilities	$ 231,906	$ 257,303
Long-term debt	186,219	152,977
Def. inc. taxes	26,768	18,405
+Common stock	19,615	19,812
Add. paid-in capital	176,574	176,448
Retained earnings	388,414	344,274
Treasury stock	(2,367)	—
Total Liabilities & Shareholders' Equity	$ 1,027,329	$ 969,219

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	3.72	4.74
%Net Income to Sales	2.29	2.41
%Net Income to Equity	9.61	10.19
Sales to Inventories	6.53	6.30
Debt to Equity	0.34	0.28
Working Capital	$ 320,558,000	$ 289,580,000
Current Ratio	2.38	2.13
Shareholders' Equity	$ 582,436,000	$ 540,534,000

Lucky Stores, Inc.

6300 Clark Avenue
P.O. Box BB
Dublin, California 94568
(415) 828-1000

Officers: John M. Lillie, chairman & chief exec. officer; Lawrence A. Del Santo, president & chief operating officer; Edgar H. Grubb, sr. v.p. & chief financial officer; Leon W. Rousch, sr. v.p.-operations; James A. Toopes, Jr., v.p. & controller; F. Del Helm, v.p.-real estate; Lester C. Kranhold, v.p.-engineering; Frank J. Dorsey, v.p.-warehousing, distribution & store systems; Raymond H. Sweeney, v.p.-industrial relations; Robert R. Strickland, v.p.-finance & treasurer; Christopher McLain, v.p., counsel & secretary; Jimmie D. Prince, v.p.-manufacturing; Myron E. Bernstein, v.p.-human resources; Arthur L. Patch, v.p.-merchandising support.

Directors: Stanley Hiller, Jr., Walter E. Headley, John H. Hoefer, Joseph A. Woods, Jr., Forrest A. Plant, Mary E. Lanigar, S. Donley Ritchey*, John M. Lillie*, Melvin B. Lane, Sam L. Ginn, Luis G. Nogales, Lawrence A. Del Santo*, Mary S. Metz, Leonard Leiberman.

* Member of the Executive Committee

Business Activities: Operates 481 food stores under the Lucky, Food Basket, and Kash n' Karry names in California, Nevada, Arizona and Florida.

Transfer Agent(s):

Bank of America N.T. & S.A.
(common and preferred stock)
World Headquarters Building
San Francisco, California 94104

Stock Exchange(s): New York, Pacific

Ticker Symbol: LKS

Number of Stores: (at fiscal year end)

	Food Stores	Dept. Stores
1987	481	—
1986	579	—
1985	582	—
1984	622	77
1983	567	76

	Specialty Retailing
1987	—
1986	—
1985	803
1984	696
1983	986

Sales & Earnings

	Net Sales + (000's)	Net Income † (000's)
1987	$ 6,924,783	$ 151,687
1986	6,440,871	225,940
1985	6,225,265	86,526
1984*	6,206,594	94,631
1983	5,544,856	105,400

	No. of Com. Shares	Earn. per Share #
1987	38,648,000	$ 3.93
1986	38,442,129	4.47
1985	51,043,348	1.67
1984*	50,850,678	1.84
1983	50,739,660	2.05

* 53 weeks.
\+ Of continuing operations only.
† Including extraordinary loss of $7,315,000 ($0.15 per share) in 1986.
\# Based on the weighted average number of common shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	$ 0.50	—	—
1986	0.87	—	—
1985	1.16	—	—
1984	1.16	—	—
1983	1.16	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1987	$ 327,330,000	$ 8.47
1986	272,089,000	7.08
1985	636,362,000	12.47
1984	609,442,000	11.98
1983	573,619,000	11.31

Income Account (000's)

Year ended	1/31/88	2/1/87
Net sales	$ 6,924,783	$ 6,440,871
Cost of sales	5,194,568	4,917,211
Expenses	1,407,396	1,273,000
Depreciation & amortization	93,338	85,701
Interest expense	31,005	36,477
Interest income	(3,779)	(6,818)
Gain on Midwest Div. transac.	(13,806)	—
Restruc. costs	—	32,632
Income before taxs	$ 216,061	$ 101,791
Income taxs	96,701	52,097
Inc.-cont. oper.	$ 119,360	$ 49,694
Inc.-discont. oper.	26,420	183,561
Net Income	$ 145,780	$ 233,255
Extraord. loss	—	(7,315)
Cum. effect of accstng. change	5,907	—
Net Income & extraord. loss	$ 151,687	$ 225,940

Assets (000's)

As of	1/31/88	2/1/87
Cash & short-term securities	$ 24,729	$ 75,923
Receivables	42,947	52,795
*Inventories	327,250	323,664
Prepaid emp. benefits	50,000	—
Prepaid expenses & leases	44,984	70,286
Net assets held for sale	—	41,382
Current Assets	$ 489,910	$ 564,050
#Fixed assets	706,540	736,466
Prop. under cap. leases	39,535	58,879
Prop. under construc.	26,737	48,496
Other assets	25,125	38,067
Net assets-Hancock Fabrics	—	105,713
Total Assets	$ 1,287,867	$ 1,551,671

Liabilities (000's)

Short-term borrowings	$ 45,000	$ —
Long-term debt, curr.	7,017	8,199
Accts. payable	261,115	281,750
Accruals	245,407	317,447
Income taxes	30,141	122,804
Curr. Liabilities	$ 588,680	$ 730,200
Long-term debt	117,290	285,524
Other deferred liab.	54,867	58,007
Cap. lease oblig.	51,107	73,425
Deferred inc. taxes	67,833	53,170
Accrued insur.	80,760	79,256
+Common stock	386	384
Add. paid-in capital	4,527	2,519
Retained earnings	322,417	269,186
Total Liabilities & Shareholders' Equity	$ 1,287,867	$ 1,551,671

* At lower of cost (LIFO) or market.
\# Less accumulated depreciation.
\+ $0.01 par value.

Statistical Summary

%Net Income to Equity	44.54	85.73
Sales to Inventories	21.16	19.90
Debt to Equity	0.52	1.08
Shareholders' Equity	$ 327,330,000	$ 272,089,000

L. Luria & Son, Inc.

5770 Miami Lakes Drive
Miami Lakes, Florida 33014
(305) 557-9000

Officers: Leonard Luria, chairman, president, treasurer & chief executive officer; Peter Luria, exec. v.p.; Gary Y. Holtzman, sr. v.p.-operations & stores; John M. Mann, v.p.-finance & chief financial officer; Jeffrey A. Bayer, v.p.-general merchandise; Russell A. Hutchings, v.p.-construction & development; Henry S. Luria, v.p.-real estate; Bradley Talley, v.p.-management information systems; Neil Mergler, v.p.-advertising & marketing; Gloria Luria, secretary.

Directors: Leonard Luria, chairman; Peter Luria, Sydney A. Luria, Edwin D. Marks, Harold Wolfson, Harry Dixon, Jr., Henry S. Luria, John M. Mann, Harold Yaney.

Business Activities: Operates a chain of catalog showrooms throughout the state of Florida. The product mix includes jewelry, watches, silver, gift items, luggage and home electronic equipment.

Transfer Agent(s):

The Citizens and Southern National Bank
P.O. Box 105555
Atlanta, Georgia 30348-5555

Stock Exchange(s): American

Ticker Symbol: LUR

Number of Stores: (at fiscal year end)

1988	43	1985	35
1987	39	1984	32
1986	37		

Sales & Earnings

	Net Sales	Net Income
1988	$ 205,196,000	$ 6,328,000
1987	172,379,000	4,580,000
1986*	108,591,000	4,578,000
1985	148,190,591	5,431,150
1984	145,228,602	6,836,810

	No. of Com. Shares ‡	Earn. per Share ‡
1988	5,469,000	$ 1.16
1987	5,490,000	0.83
1986*	5,472,000	0.84
1985	5,457,769	1.00
1984	5,438,256	1.26

* 7 months.
‡ Based on the weighted average number of common shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1988	$ 67,047,000	$ 12.26
1987	61,994,000	11.29
1986	57,296,000	10.45
1985	52,503,647	9.61
1984	46,709,014	8.59

Income Account *

Year ended	1/30/88	1/31/87
Net sales	$ 205,196,000	$ 172,379,000
Cost of sales	143,469,000	118,005,000
Expenses	50,395,000	46,414,000
Interest expense	74,000	41,000
Income before taxs	$ 11,258,000	$ 7,919,000
Income taxs	4,930,000	3,947,000
Cum. effect of change in accounting meth.	—	(608,000)
Net Income	$ 6,328,000	$ 4,580,000

* Included in Costs and Expenses, Depreciation: $2,965,000 in 1988 and $2,315,000 in 1987.

Assets

As of	1/30/88	1/31/87
Cash & short term invest.	$ 8,511,000	$ 14,480,000
Accts. receiv., net	1,185,000	1,121,000
*Inventories	80,768,000	64,861,000
Prepaid expenses	2,452,000	2,769,000
Current Assets	$ 92,916,000	$ 83,031,000

L. Luria & Son, Inc.

#Fixed assets	30,303,000	24,119,000
Other assets	1,580,000	950,000
Total Assets	$ 124,799,000	$ 108,100,000
Liabilities		
Notes payable	$ 198,000	$ 884,000
Long-term debt, curr.	238,000	235,000
Accts. payable	38,948,000	29,226,000
Accruals	10,027,000	7,804,000
Curr. Liabilities	$ 49,411,000	$ 38,149,000
Long-term debt	3,354,000	3,642,000
Deferred credits	4,987,000	4,315,000
+Common stock	36,000	36,000
+Class B common stock	19,000	19,000
Add. paid-in capital	19,167,000	18,590,000
Retained earnings	49,677,000	43,349,000
Treasury stock	(1,852,000)	—
Total Liabilities & Shareholders' Equity	$ 124,799,000	$ 108,100,000

* At cost (LIFO) for diamonds and jewelry. All others at lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $.01 per value.

Statistical Summary

%Income before Taxes to Sales	5.49	4.59
%Net Income to Sales	3.08	2.66
%Net Income to Equity	9.44	7.39
Sales to Inventories	2.54	2.67
Debt to Equity	0.06	0.08
Working Capital	$ 43,505,000	$ 44,882,000
Current Ratio	1.88	2.18
Shareholders' Equity	$ 67,047,000	$ 61,994,000

Luskin's, Inc.

7125 Columbia Gateway
Columbia, Maryland 21046
(301) 290-1111

Officers: Jack Luskin, chairman & chief exec. officer; Cary A. Luskin, president & chief operating officer; Kevin E. Luskin, v.p. & secretary; William F. Love, Jr., treasurer; Stuart Kallman, v.p.-sales & marketing.

Directors: Jack Luskin, chairman of the board; Cary A. Luskin, Kevin E. Luskin, Isaac M. Neuberger, Melvin Berger.

Business Activities: Operates 44 specialty retail stores which sell a wide variety of home entertainment and consumer electronic products and major appliances under the Luskin's name in Maryland, Washington, D.C., Virginia and Indiana, and under the Tokyo Shapiro name in Ohio and Connecticut.

Subsidiaries:

Sound and Sight, Inc.
Indianapolis, Indiana

We-are-Electronics, Inc.
Ashby Enterprises, Ltd.
Rising Sun, Inc.
Tokyo Shapiro, Inc.

Transfer Agent(s):

Maryland National Bank
Baltimore, Maryland

Stock Exchange(s): Over-the Counter

Ticker Symbol: LUSK (NASDAQ)

Number of Stores: (at fiscal year end)

1987	44	1984	29
1986	53	1983	23
1985	53		

Sales & Earnings

	Net Sales	Net Income †
1987	$ 126,363,000	$ (1,778,000)
1986	140,025,000	950,000
1985	109,827,000	4,291,000
1984	89,987,000	4,233,000
1983	71,677,000	3,551,000

—	No. of Com. Shares ‡	Earn. per Share ‡ †
1987	4,370,000	$ —
1986	4,765,000	0.20
1985	4,658,000	0.92
1984	4,658,000	0.94
1983	4,500,000	0.79

(Loss)
† Including extraordinary gain of $227,000 ($0.05 per share in 1983.)
‡ Based on the weighted average number of common share and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	$ 16,386,000	$ 3.75
1986	18,164,000	3.81
1985	18,816,000	4.04
1984	11,290,000	2.51
1983	7,056,000	1.57

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended	1/31/88	1/31/87
Net sales	$ 126,363,000	$ 140,025,000
Other income	651,000	896,000
Total income	$ 127,014,000	$ 140,921,000
Cost of sales	92,680,000	101,681,000
Expenses	34,859,000	36,914,000
Closed store exp.	1,475,000	—
Interest expense	1,110,000	653,000
Other income	—	(177,000)
Income (loss) before taxes	$ (3,110,000)	$ 1,850,000
Income taxes (credit)	(1,332,000)	900,000
Net Income	$ (1,778,000)	$ 950,000

* Included in Costs and Expenses, Depreciation and Amortization: $1,585,000 in 1988 and $1,032,000 in 1987.

Assets

As of	1/31/88	1/31/87
Cash	$ 3,691,000	$ 9,282,000
Accts. receiv., net	2,311,000	2,038,000
*Inventories	26,311,000	24,708,000
Refundable income taxes	847,000	—
Prepaid expenses	1,014,000	920,000
Current Assets	$ 34,174,000	$ 36,948,000
#Fixed assets	9,781,000	7,794,000
Other assets	746,000	803,000
Intangibles	1,592,000	1,753,000
Total Assets	$ 46,293,000	$ 47,298,000
Liabilities		
Bank overdraft	$ —	$ 4,309,000
Payable for purch. of treasury stock	—	1,650,000
Short-term borrowings	6,687,000	—
Long-term debt, curr.	24,000	39,000
Accts. payable	7,165,000	7,457,000
Accruals	1,848,000	1,954,000
Oblig. for closed stores	323,000	—
Income taxes	—	1,568,000
Deferred serv. inc.	1,644,000	1,369,000
Curr. Liabilities	$ 17,693,000	$ 18,345,000
Long-term debt	10,055,000	10,079,000
Oblig. for closed stores	222,000	—
Deferred serv. inc.	821,000	652,000
Deferred inc. taxes	1,116,000	58,000
+Common stock	48,000	48,000
Add. paid-in capital	3,217,000	3,217,000
Retained earnings	14,771,000	16,549,000
Treasury stock	(1,650,000)	(1,650,000)
Total Liabilities & Shareholders' Equity	$ 46,293,000	$ 47,298,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 per value.

Statistical Summary

%Income before Taxes to Sales	—	1.32
%Net Income to Sales	—	0.68
%Net Income to Equity	—	5.23
Sales to Inventories	4.80	5.67
Debt to Equity	1.02	0.56
Working Capital	$ 16,481,000	$ 18,603,000
Current Ratio	1.93	2.01
Shareholders' Equity	$ 16,386,000	$ 18,164,000

R. H. Macy & Co., Inc.

(A private corporation)

151 West 34th Street
New York, New York 10001
(212) 560-3600

Officers: Edward S. Finkelstein, chairman of the board & chief executive officer; Mark S. Handler, president & chief operating officer; Donald Eugene, sr. v.p.-finance operations administration; Nat Kurtz, sr. v.p.-taxes; Gertrude G. Michelson, sr. v.p.-external affairs; Theodore M. Ronick, sr. v.p.-corp. buying; Michael W. Steman, sr. v.p.-store planning, design & construction; A. David Brown, sr. v.p.-personnel & labor relations; Joseph Cicio, sr. v.p.-store design & visual merchandising; Richard P. Crystal, sr. v.p.-specialty stores; Marvin Fenster, general counsel & secretary; Arthur E. Reiner, chairman & chief exec. officer-Macy's Northeast; Harold D. Kahn, chairman & chief exec. officer-Macy's California; Robert N. Friedman, chairman & chief exec. officer-Macy's South/Bullock's; Rose Marie Bravo, chairperson & chief exec. officer-I. Magnin/Bullock's Wilshire.

Directors: Edward S. Finkelstein, chairman; Mark S. Handler, Robert N. Friedman, Harold D. Kahn, Arthur E. Reiner, A. David Brown, Marvin Fenster, Gertrude G. Michelson, Theodore M. Ronick, Dan L. Hale, Michael P. Price, Laurence A. Tisch, Sidney J. Weinberg, Jr., Henry A. Kissinger, A. Alfred Taubman, Paul W. Van Orden.

Business Activities: Operates chains of department stores under the Macy's, Bullock's/Bullock's Wilshire, and I. Magnin names.

Divisions:

Macy's California
Stockton & O'Farrell Streets
San Francisco, California 94119
(415) 397-3333

Macy's South
180 Peachtree Street
Atlanta, Georgia 30303
(404) 221-7221

R. H. Macy Corporate Buying
151 West 34th Street
New York, New York 10001

R. H. Macy Properties
151 West 34th Street
New York, New York 10001

Macy's Northeast
Herald Square
New York, New York 10001
(212) 695-4400

Macy Credit Corp.
151 West 34th Street
New York, New York 10001
(212) 279-9829

R. H. Macy Store Planning, Design and Construction
New York, New York

Acquisitions:*

Bullock's/Bullock's Wilshire
800 South Hope Street
Los Angeles, California 90014
(213) 612-5000
Operates 29 department stores and three Bullock's Woman apparel specialty stores, in California, Arizona and Nevada.

I. Magnin
135 Stockton Street
San Francisco, California 94108
(415) 362-2100
Operates 25 department stores in California, Arizona, Oregon, Washington, Illinois, and Maryland.

* Acquired from Federated Department Stores, Inc., in connection with Campeau Corporation's acquisition of Federated in May 1988.

NOTE: Financial information about R.H. Macy & Co., Inc. is unavailable due to the fact that the Company is privately held.

Manhattan Industries, Inc.

(Acquired by Salant Corporation in August 1988)

Corporate Offices:
1155 Avenue of the Americas
New York, New York 10036
(212) 221-7500

Administrative Offices:
25 DeBoer Drive
Glen Rock, New Jersey 07452
(201) 447-2000

Officers: Laurence C. Leeds, Jr., chairman of the board & chief exec. officer; Nicholas P. DiPaolo, president & chief operating officer; Donald H. Kallman, vice chairman of the board, exec. v.p. & chairman of executive committee; Samuel M. Miller, v.p., secretary, treasurer & controller; Bruce P. Fogwell, v.p.-advertising & public relations; Zachary Soloman, exec. v.p..

Directors: Roy M. Goodman, Thomas Hoving, Donald H. Kallman*, Harvey N. Krueger, E. John Rosenwald, Jr., Laurence C. Leeds, Jr.*, Jack Lyons, Irving Matthews, Irving Silverman, Carl Spielvogel, Louis C. Stengel, Jr.*, Nicholas P. DiPaolo*, Zachary Solomon*, Thomas J. Tisch.

* Member of the Executive Committee

Business Activities: Manufactures and retails men's and women's apparel. The Apparel Division consists of three companies manufacturing men's wear and two companies manufacturing women's wear. The Retail Division is composed of the 59 stores operated by Manhattan Factory Outlets, which sell men's and women's wear and domestic furnishings in the Northeast and South. The International Division represents Manhattan Industries around the world with 32 Manhattan licensees operating in 45 countries.

Divisions and Subsidiaries:

Apparel Division:

Men's Wear

The Manhattan Shirt Company
1155 Avenue of the Americas
New York, New York 10036
Manufactures and sells men's shirts, sportshirts, sport knits and pajamas. Manufacturing plants: Americus, Georgia.

Manhattan Accessories Division
1155 Avenue of the Americas
New York, New York 10036
Manufactures and sells men's neckwear, scarves and mufflers, belts and small leather goods.

John Henry for Men
1155 Avenue of the Americas
New York, New York 10036
Markets men's shirts, sportshirts and accessories.

Henry Grethel For Men
1155 Avenue of the Americas
New York, New York 10036
Markets designer sportswear, shirts and furnishings.

Morgan Shirt Corporation
Morgantown, Virginia
Manufactures men's shirts.

Women's Wear

MI Designer Group

Anne Klein for New Aspects
1411 Broadway
New York, New York 10018
Manufactures and sells women's blouses.

The Lady Manhattan Company
1407 Broadway
New York, New York 10018
(212) 265-3700
Manufacturers and sells blouses. Mfg. plants: Scranton, Pennsylvania.

The Vera Companies
417 Fifth Avenue
New York, New York 10016
Manufactures and sells women's sportswear, dresses, scarves and table linens. Mfg. plants: Puerto Rico, and Grafton, West Virginia.

John Henry For Women
1411 Broadway
New York, New York 10018
Markets women's shirts and tops.

Manhattan Dress Division
1400 Broadway
New York, New York 10018
Manufactures and markets John Henry, Peter Ashley, and Lanvin dresses.

Henry Grethel For Women
1411 Broadway
New York, New York 10018
Markets women's shirts, tops and sportswear.

Perry Ellis Division
575 Seventh Avenue
New York, New York
Designs and markets women's sportswear.

Retail Division

Manhattan Factory Outlet
1501 Broadway
Fair Lawn, New Jersey 07410
(201) 799-8660

Licensing Division:

Manhattan Licensing
1155 Avenue of the Americas
New York, New York 10036

Number of Stores: (at fiscal year end)

1987 ..... 59 1986 92

Sales & Earnings

	Net Sales + ($000's)	Net Income ($000's)
1987	$ 335,754	(7,419)
1986	335,469	(11,008)
1985	381,018	1,124
1984	308,809	11,547
1983	279,236	7,525

	No. of Com. Shares ‡	Earn. per Share ‡
1987	5,061,000	$ —
1986	5,041,000	—
1985	4,824,000	0.20
1984	4,143,000	2.67
1983	3,832,000	1.78

(Loss)
+ Of continuing operations only.
‡ Based on the average number of shares outstanding adjusted to reflect stock dividends.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	$ 0.20	4%	—
1986	0.25	4%	—
1985	0.30	4%	—
1984	0.30	4%	—
1983	0.30	4%	—

Common Stock Equity

	Total Equity ‡	Equity Per Share #
1987	$ 62,671,000	$ 12.28
1986	70,987,000	14.05
1985	83,040,000	16.52
1984	72,721,000	16.60
1983	59,987,000	15.84

‡ After allowing for convertible preferred stock at involuntary liquidation value.
# Adjusted to reflect stock dividends.

Income Account *
($000's)

Year ended Jan. 31	1987	1986
Net sales	$ 335,754	$ 335,469
Cost of sales	252,769	254,887
Expenses	81,898	80,624
Royalty & other income	(6,087)	(5,022)
Interest expense	10,296	11,693
Non-recurring inc.	(9,333)	(1,482)
Bus. realign. charges	7,500	16,800
Loss before taxes	$ (1,289)	$ (22,031)
Tax credit	—	(10,900)
Loss-cont. oper.	$ (1,289)	$ (11,131)
Inc. (loss)-discont. oper.	(6,130)	123
Net Loss	$ (7,419)	$ (11,008)

* Included in Costs and Expenses, Depreciation and Amortization: $5,061,000 in 1987 and $4,885,000 in 1986.

Assets
($000's)

As of Jan. 31	1987	1986
Cash	1,475	2,436
Accts. receiv., net	13,267	21,568
*Inventories	7,563	74,503
Prepaid expenses	3,363	3,783
Net assets held for sale	5,773	34,844
Current Assets	$ 95,441	$ 137,134
Investments & other assets	13,738	13,699
#Fixed assets	25,963	30,238
Prop. under cap. leases	2,251	2,528
Total Assets	$ 137,393	$ 183,599

Manhattan Industries, Inc.

Liabilities
(000's)

Notes payable	$ 8,436	$ 31,788
Long-term debt, curr.	6,460	6,815
Accts. payble & accruals	32,250	29,344
Curr. Liabilities	$ 47,146	$ 67,947
Long-term debt	23,088	39,584
Cap. lease oblig.	2,268	2,608
Other liabilities & deferred credits	1,798	1,911
+Preferred stock	422	562
+Common stock	5,104	4,857
Add. paid-in capital	50,992	47,926
Retained earnings	6,575	18,204
Total Liabilites & Shareholders' Equity	$ 137,393	$ 183,599

* At lower of cost or market. FIFO for apparel operations; retail method for outlet stores.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

Sales to Inventories	4.69	4.50
Debt to Equity	0.64	1.13
Working Capital	$ 48,295,000	$ 69,187,000
Current Ratio	2.02	2.02
Shareholders' Equity	$ 63,093,000	$ 71,549,000

Marks and Spencer p.l.c.

Michael House
37-67 Baker Street
London W1A 1DN, England
01-935 4422

Directors: The Lord Rayner, chairman & chief executive; R. Greenbury, chief operating officer & joint managing director; N. L. Colne, executive director; J. A. Lusher, executive director; J. K. Oates, executive director; S. J. Sacher, executive director; The Hon. David Sieff, executive director; C. V. Silver, executive director; A. K. P. Smith, executive director; P. H. Spriddell, executive director; D. G. Trangmar, executive director; D. V. Atterton, non-executive director; A. E. Frost, non-executive director; R. A. E. Herbert, non-executive director; D. G. Lanigan, non-executive director; D. R. Susman, non-executive director; B. J. Lynch, alternate director; A. S. Orton, alternate director; M. Epstein, secretary.

Business Activities: Operates 264 Marks and Spencer department stores in the United Kingdom, 10 in France, Belgium and Ireland, and 78 in Canada. Also operates 80 Peoples department stores in Canada, 104 D'Allaird's women's retail clothing stores in Canada, one D'Allaird's store in the U.S., and a total of 67 Brooks Brothers men's clothing stores in the U.S. and Japan.

Retail Subsidiaries:

Marks and Spencer Canada Inc.
3770 Nashua Drive
Mississauga, Ontario L4T 3R1 Canada
(416) 676-1910

Marks and Spencer Division
Peoples Division
D'Allaird's Division
D'Allaird's USA Division
Marks and Spencer (France) S.A.
Marks and Spencer (Ireland) Limited
SA Marks and Spencer (Belgium) NV

Acquisition:

Brooks Brothers, Inc.
New York, New York
Operates 46 upscale men's clothing stores in the U.S., and 21 in Japan as part of a joint venture.

Registrars and Transfer Office:

Ravensbourne Registration Services Limited
Bourne House
34 Beckenham Road
Beckenham, Kent BR3 4TU, England

Stock Exchange(s): London

Number of Stores: (at fiscal year end)

1987	537	1984	484
1986	518	1983	477
1985	500		

Sales & Earnings

	Net Sales	Net Income
1987	£4,220,800,000	£ 276,000,000
1986	3,734,800,000	222,400,000
1985	3,208,100,000	181,400,000
1984	2,862,500,000	166,400,000
1983	2,509,900,000	135,200,000

	No. of Com. Shares ‡	Earn. per Share ‡
1987	2,650,061,104	10.4p
1986	2,644,147,693	8.4
1985	N.A.	6.9
1984	N.A.	6.3
1983	N.A.	5.15

N.A. - Not Available.
£ - pound sterling
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business
(000's)

	1987	1986
Clothing	£ 2,118,400	£ 1,866,000
Homeware	516,700	439,000
Foods	1,549,100	1,410,000
Financial activities	36,600	19,000
Total	£ 4,222,800	£ 3,734,800

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	4.5p	—	—
1986	3.9	—	—
1985	3.4	—	—
1984	3.125	—	—
1983	2.55	—	—

Common Stock Equity

	Total Equity †	Equity Per Share
1987	£1,577,400,000	59.52p
1986	1,461,500,000	55.27

† After allowing for preferred stock at par value.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended	3/31/87	4/1/86
Net sales	£ 4,220,800	£ 3,734,800
Cost of sales	2,915,800	2,666,500
Staff costs	485,000	421,700
Occupancy costs	115,900	91,600
Other costs	180,400	118,100
Repairs, renewals, maint.	37,700	33,600
Depreciation	68,800	53,000
Other income	(23,800)	(26,600)
Interest expense	8,900	11,100
Income before taxes	£ 432,100	£ 365,800
Income taxes	156,200	141,300
Minority interests	(100)	2,100
Net Income	£ 276,000	£ 222,400

* Included in Costs and Expenses, Depreciation: £ 67,800,000 in 1987 and £ 52,700,000 in 1986.

Assets
(000's)

As of	3/31/87	4/1/87
Cash	£ 58,800	£ 106,200
Investments	38,000	66,100
Accts. receiv., net	114,900	102,900
*Inventories	255,400	235,300
Current Assets	£ 467,100	£ 510,500
#Fixed assets	1,636,600	1,461,900
Net assets of fin. activities	51,300	18,300
Total Assets	£ 2,155,000	£ 1,990,700

Liabilities
(000's)

Bank loans & overdrafts	£ 30,500	£ 35,600
Accts. payable	103,600	107,800
Other payables	77,400	55,000
Bills of exch. pay.	5,400	18,400
Group relief payable	4,300	6,900
Accruals	44,400	32,800
Income taxes	161,800	139,100
Other taxes	20,200	16,000
Proposed dividend	82,300	70,100
Curr. Liabilities	£ 529,900	£ 481,700
Long-term debt	46,300	46,100
Minority interests	—	10,500
+Preferred stock:		
7.0% cumulative	400	400
4.9% cumulative	1,000	1,000
++Common stock	663,400	661,300
Add. paid-in capital	13,500	5,800
Revaluation reserve	86,400	84,000
Profit and loss acct.	814,100	699,900
Total Liabilities & Shareholders' Equity	£ 2,155,000	£ 1,990,700

* At lower of cost and net realizable value.
# Less accumulated depreciation.
+ £ 1 par value.
++ 25p par value.

Statistical Summary

%Income bef. Taxes to Sales	10.24	9.79
%Net Income to Sales	6.54	5.95
%Net Income to Equity	17.48	15.31
Sales to Inventories	16.53	15.87
Debt to Equity	0.05	0.06
Shareholders' Equity	£1,575,800,000	£1,452,400,000

Mars Stores, Inc.

680 Spring Street
North Dighton, Massachusetts 02764
(617) 822-1500

Officers: Paul Kwasnick, chairman, president & chief exec. officer; Matthew Tatelbaum, first vice chairman; Ronald V. Caulfield, sr. v.p.; Robert G. Burch, v.p.-operations; Paul Glaser, v.p.-merchandising; Frank DelToro, v.p.-sales promotion; James M. Lynch, v.p.-finance & treasurer; Benjamin H. Lacy, clerk.

Directors: Matthew Tatelbaum, Samuel Katz *, Benjamin Lacy, Paul Kwasnick *, Allen M. Glick.

* Member of the Executive Committee

Areas of Work: Operates self-service discount department stores in New England under the names Mars Stores and Gaynes Stores.

Subsidiaries:

Gaynes Department Stores, Inc.
Mars Leasing Co., Inc.

Transfer Agent(s):

State Street Bank & Trust Company
Boston, Massachusetts

Stock Exchange(s): Over-the-Counter

Ticker Symbol: MXXX (MASDAQ)

Number of Stores: (at fiscal year end)

1987	18	1984	21
1986	36	1983	12
1985	30		

Sales & Earnings

	Net Sales +	Net Income
1987	$ 98,908,589	$ (7,231,021)
1986 *	104,191,036	(2,812,495)
1985	94,568,517	870,622
1984	64,801,630	1,335,192
1983	38,114,444	762,177

	No. of Com. Shares	Earn. per Share
1987	2,202,475	$ —
1986 *	2,228,850	—
1985	2,174,700	0.42
1984	1,620,250	0.81
1983	1,357,750	0.61

(Loss)
* 53 weeks.
+ Of continuing operations only.

Common Stock Equity

	Total Equity	Equity Per Share
1987	$ 3,924,323	$ 1.78
1986	11,001,117	4.94
1985	13,809,549	6.35
1984	6,975,825	4.30
1983	5,725,504	3.68

Income Account *

Year ended	1/30/88	1/31/87
Net sales	$ 98,908,589	$ 104,191,036
Other income	1,515,296	1,695,721
Total income	$ 100,423,885	$ 105,886,757
Cost of sales	72,541,178	76,093,990
Expenses	31,000,596	30,645,874
Restruc. costs	2,306,000	—
Interest expense	1,216,111	929,074
Loss bef. taxes	$ (6,640,000)	$ (1,782,181)
Tax credit	—	(825,000)
Loss-cont. oper.	$ (6,640,000)	$ (957,181)
Loss-discont. oper.	(591,021)	(1,855,314)
Net Loss	$ (7,231,021)	$ (2,812,495)

* Included in Costs and Expenses, Depreciation and Amortization: $1,025,683 in 1987 and $1,027,345 in 1986.

Assets

As of	1/30/88	1/31/87
Cash	$ —	$ 949,972
* Inventories	12,642,919	20,443,991
Due from sale of inventory	3,368,749	—
Refundable income taxes	—	844,000
Other curr. assets	2,138,201	1,524,633
Current Assets	$ 18,149,869	$ 23,762,596
# Fixed assets	7,022,448	8,595,083
Other assets	419,399	591,533
Total Assets	$ 25,591,716	$ 32,949,212

Liabilities

Cash overdraft	$ 359,547	$ —
Long-term debt, curr.	960,450	1,254,788
Cap. lease oblig., curr.	119,000	110,000
Accts. payable & accruals	9,351,693	9,279,020
Compensation & related taxes	562,290	560,229
Other taxes	194,985	309,233
Accrued for costs of discont. oper.	250,000	1,037,000
Curr. Liabilities	$ 11,797,965	$ 12,550,270
Long-term debt, curr.	9,342,428	8,751,825
Cap. lease oblig.	471,000	590,000
Def. inc. taxes	56,000	56,000
+ Common stock	1,116,675	1,115,425
Add. paid-in capital	8,949,353	9,178,478
Retained earnings (deficit)	(6,101,307)	1,129,714
Treasury stock	(40,398)	(2,500)
Loan to officer	—	(420,000)
Total Liabilities & Shareholders' Equity	$ 25,591,716	$ 32,949,212

* At lower of cost (FIFO) or market, determined by the retail inventory method.
# Less accumulated depreciation and amortization.
+ $0.50 par value.

Statistical Summary

Sales to Inventories	7.82	5.10
Debt to Equity	2.78	0.97
Working Capital	$ 6,351,904	$ 11,212,326
Current Ratio	1.54	1.89
Shareholders' Equity	$ 3,924,323	$ 11,001,117

Marsh Supermarkets Inc.

P.O. Box 155
501 Depot Street
Yorktown, Indiana 47396
(317) 759-8101

Officers: William P. Givens, chairman of the board; Don E. Marsh, president & chief exec. officer; C. Alan Marsh, president & chief operating officer-Marsh Village Pantries, Inc.; William L. Marsh, v.p. & gen. mgr.-property mgmt.; Donald M. Rix, v.p.-merchandising; Ronald R. Walicki, v.p. & gen. mgr.-supermarket division; P. Lawrence Butt, v.p., secretary & counsel; Porter Eckerty, v.p.-supermarket operations; David M. Redden, v.p.-warehousing & transportation; John S. Hayford, v.p.-finance and treasurer; John W. Laboda, v.p.-Management Information Systems and Services; Ted Varner, v.p. & gen. mgr.-Convenience Store Distributing Co.; Lenaie D. Hayes, asst. v.p.-real estate; Donald L. Plummer, asst. v.p.-facilities engineering; Ronald P. Stolz, assistant v.p.-administration; Mary B. Needler, asst. secretary & asst. treasurer; Lois A. Gross, asst. secretary; Frank J. Bryja, asst. v.p.-merchandising; Joan M. Hurley, asst. v.p.-market research; Lola M. Hale, asst. treasurer.

Directors: William P. Givens, chairman; Don E. Marsh, Estel V. Marsh, C. Alan Marsh, Garnet Marsh, Charles R. Clark, Stephen M. Huse, James K. Risk, III, Jack E. Buckles.

Areas of Work: Operates Marsh supermarkets, Marsh Xtra combination food and drug stores, and Village Pantry convenience stores, in Indiana and Ohio. Most of the Village Pantry stores also sell gasoline. A subsidiary, Convenience Store Distributing Company, distributed goods to the company's convenience stores as well as over 500 additional third parties.

Divisions:

Village Pantry
Supermarket Division
Drug Division

All at:
Yorktown, Indiana 47396
(317) 759-8101

Subsidiaries:

Mundy Realty, Inc.
Marsh Village Pantries, Inc.
Mar Properties, Inc.
Marlease, Inc.
American Guaranty Corporation
Maraines Greenery, Inc.
Micron Restaurant Equipment and Supply

All at:
Yorktown, Indiana 47396
(317) 759-8101

Convenience Store Distributing Company

Transfer Agent(s):

The Indiana National Bank
Indianapolis, Indiana

Stock Exchange(s): Over-the-Counter

Ticker Symbol: MARS (NASDAQ)

Number of Stores: (at fiscal year end)

	Marsh Stores	Village Pantrys
1988	76	166
1987	74	170
1986	75	175
1985	74	154
1984	74	142

Sales & Earnings

	Net Sales	Net Income
1988	$ 848,125,000	$ 7,823,000
1987	772,241,000	6,695,000
1986	718,506,000	6,433,000
1985	671,187,000	4,716,000
1984	638,593,000	1,624,520

	No. of Com. Shares †	Earn. per Share ‡
1988	5,164,374	$ 1.53
1987	5,095,335	1.32
1986	5,004,170	1.15
1985	5,591,894	0.84
1984	5,605,544	0.29

† Adjusted to reflect stock split.
‡ Based on the average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend‡	Stock Dividend	Stock Split
1988	$ 0.43	—	—
1987	0.39	—	3-for-2
1986	0.34	—	—
1985	0.32	—	—
1984	0.32	—	—

‡ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	$ 56,645,000	$ 10.97
1987	50,637,000	9.94
1986	45,479,000	9.09
1985	47,537,000	8.50
1984	44,337,813	7.91

‡ Adjusted to reflect stock split.

Marsh Supermarkets Inc.

Income Account *

Year ended	4/2/88	3/28/87
Net sales	$ 848,125,000	$ 772,241,000
Other income	7,406,000	5,925,000
Total income	$ 855,531,000	$ 778,166,000
Cost of sales	667,308,000	607,146,000
Expenses	170,546,000	154,185,000
Interest expense	5,742,000	5,484,000
Income before taxes	$ 11,935,000	$ 11,351,000
Income taxes	4,112,000	4,656,000
Net income	$ 7,823,000	$ 6,695,000

* Included in Costs and Expenses, Depreciation and Amortization: $10,388,000 in 1988 and $9,709,000 in 1987.

Assets

As of	4/2/88	3/28/87
Cash & temp. invest.	$ 2,282,000	$ 5,508,000
Emp. benefit	1,572,000	762,000
Accts. & notes receiv., net	8,068,000	7,565,000
*Inventories	53,779,000	51,644,000
Prepaid expenses	2,327,000	2,048,000
Current Assets	$ 68,028,000	$ 67,527,000
#Fixed assets	89,944,000	78,547,000
Other assets	12,856,000	8,346,000
Cap. lease property	16,581,000	18,778,000
Total Assets	$ 187,409,000	$ 173,198,000

Liabilities

Notes payable	$ 3,400,000	$ —
Long-term debt & cap. lease oblig. curr.	5,790,000	5,527,000
Accts. payable	30,128,000	27,278,000
Accrued payroll	8,343,000	8,065,000
Dividends payable	568,000	509,000
Accts. payable & accruals	3,464,000	4,394,000
Taxes	5,709,000	4,485,000
Income taxes	1,214,000	1,374,000
Curr. Liabilities	$ 58,616,000	$ 51,332,000
Long-term debt	36,054,000	34,523,000
Cap. lease oblig.	19,306,000	21,624,000
Deferred inc. taxes	13,911,000	13,440,000
Other defer. items	2,877,000	1,642,000
+Common stock	16,529,000	16,002,000
Retained earnings	48,989,000	43,372,000
Treasury stock	(6,559,000)	(7,368,000)
Deferred cost	(2,314,000)	(1,369,000)
Total Liabilities & Shareholders' Equity	$ 187,409,000	$ 173,198,000

* At lower of cost (LIFO & FIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	1.41	1.47
%Net Income to Sales	0.92	0.87
%Net Income to Equity	13.81	13.22
Sales to Inventories	15.77	14.95
Debt to Equity	1.14	0.43
Working Capital	$ 9,412,000	$ 16,195,000
Current Ratio	1.16	1.32
Shareholders' Equity	$ 56,645,000	$ 50,637,000

The May Department Stores Company

611 Olive Street
St. Louis, Missouri 63101
(314) 342-6300

Officers: David C. Farrell, chairman & chief executive officer; Thomas A. Hays, president; Richard Battram, vice chairman; Lawrence E. Honig, vice chairman; Louis J. Garr, Jr., exec. v.p. & gen. counsel; R. Dean Wolfe, exec. v.p.-real estate; Jerome T. Loeb, vice chairman & chief financial officer; John F. Danahy, sr. v.p.; Lonny J. Jay, sr. v.p.; Douglas J. Giles, sr. v.p.; J. Kent McHose, sr. v.p.; James F. Harner, sr. v.p.; Ken C. Hicks, sr. v.p.; Charles B. Luber, sr. v.p.; Frank J. Williams, Jr., v.p.-public affairs & senior counsel; Jan R. Kniffen, v.p. & treasurer; Richard A. Brickson, v.p., senior counsel & secretary; James Abrams, v.p.-corporate communications; Robert B. Aldridge, v.p.-shortgage control and security; William M. Goddard, v.p.-risk management and insurance; James R. Bodemuller, v.p.-merchandise information systems; Frank D. Gunter, v.p.-taxes; Laurence M. Hellman, v.p.-merchandise research; Stephen J. Lourie, v.p.-executive development; Henry A. Wagner, v.p.-EDP Systems Development; Robert L. McDowell, v.p.-corp. development; Ruth A. Streit, v.p.-compensation and benefits; Barry S. Silver, v.p.-audit; George A. Alexander, v.p.-credit; Gene E. Bauer, v.p.-executive recruiting; Michael C. Canarios, v.p.-planning & analysis; Brian W. Bender, v.p.-capital planning & analysis; Mark E. Hood, v.p.-accounting and reporting; John E. White, v.p.-merchandise distribution.

Directors: Richard R. Shinn*, David C. Farrell*, John W. Hanley*, Lawrence E. Honig, Helene L. Kaplan, Edward H. Meyer, Thomas A. Hays*, Russell E. Palmer, William P. Stiritz*, Murray L. Weidenbaum*, Andrall E. Pearson, Jerome T. Loeb, Richard L. Battram, Thomas S. Carroll, Paul Kolton, Martha T. Muse, Donald C. Platten*.

* Member of the Executive Committee

Business Activities: Operates 258 department stores in 24 states; 70 Venture discount stores in large Midwestern cities; 116 Caldor discount shoe stores in the Northeast; 2,436 Volume Shoe stores in 42 states. May Centers, Inc., a wholly owned subsidiary, operates 29 shopping centers in 9 states. Loehmann's, which features off-price women's apparel, operates 80 stores in 26 states. Also operates Eagle Stamp Company, a trading stamp company.

Divisions:

Lord & Taylor
New York, New York

J. W. Robinson's
Los Angeles, California

L. S. Ayres
Indianapolis, Indiana

Sibley's
Rochester, New York

May D & F
Denver, Colorado

Goldwaters
Scottsdale, Arizona

Caldor, Inc.
Norwalk, Connecticut

Loehmann's, Inc.
New York, New York

Hahne & Company
New Jersey

The M. O'Neil Company
Akron, Ohio

The Hecht Co.
Baltimore, Maryland, Washington, D.C.

The May Co.
Cleveland, Ohio

G. Fox & Co.
Hartford, Connecticut

May-Cohens
Jacksonville, Florida

Kaufmann's
Pittsburgh, Pennsylvania

Meier & Frank Company
Portland, Oregon

Famous-Barr Co.
St. Louis, Missouri

May Co.
California
Los Angeles, California
San Diego, California

Venture Stores
May Merchandising Corporation, New York
May Centers, Inc.
May Department Stores International, Inc.
The May Design and Construction Company
Eagle Stamp Company
Volume Shoe Corporation

Associated Dry Goods Corporation
417 Fifth Avenue
New York, New York 10016
(212) 679-8700
Operates department, discount, and specialty stores throughout the country.

Acquisitions:

Foley's
1110 Main Street
Houston, Texas 77001
(713) 651-7038
Operates 38 department stores in Texas, Oklahoma, and New Mexico.

Filene's
426 Washington Street
Boston, Massachusetts 02101
(617) 357-2978
Operates 16 department stores in six northeastern states.

Transfer Agent(s):

Centerre Trust Company of St. Louis
510 Locust Street
St. Louis, Missouri 63101

Stock Exchange(s): New York, Pacific

Ticker Symbol: MA

Number of Stores: (at fiscal year end)

1988	2,960	1985	1,864
1987	2,877	1984	1,584
1986	2,074		

Sales & Earnings

	Revenues ‡ (000's)	Net Income (000's)
1987	$ 10,581,000	$ 444,000
1986	10,376,000	381,000
1985	9,542,000	347,000
1984	8,835,000	327,000
1983*	7,870,000	297,000

	No. of Com. Shares #	Earn. per Share #
1987	151,900,000	$ 2.90
1986	154,800,000	2.44
1985	156,000,000	2.20
1984	155,800,000	2.10
1983*	154,200,000	1.93

* 53 weeks.
‡ Of continuing operations only; includes rental revenues.
# Based on the average number of shares outstanding adjusted to reflect stock splits.

Revenues by Line of Business
(000's)

	1987	1986
Department stores	$ 6,415,000	$ 6,503,000
Discount stores	2,719,000	2,540,000
Specialty stores	1,414,000	1,285,000
Real estate	33,000	48,000
Total	$ 10,581,000	$ 10,376,000

Common Stock

	Cash Dividend+	Stock Dividend	Stock Split
1987	$ 1.12	—	—
1986	1.02	—	2-for-1
1985	0.92	—	—
1984	0.78	—	3-for-2
1983	0.65	—	—

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity (000's)	Equity Per share ‡
1987	$ 2,723,000	$ 18.26
1986	2,595,000	17.01
1985	2,346,000 †	15.73
1984	2,095,000 †	14.50
1983	1,902,000 †	13.21

† After allowing for preferred stock at par value.
‡ Adjusted to reflect stock splits.

Income Account * (000's)

Year ended	1/30/88	1/31/87
Net sales and rental revenues	$ 10,581,000	$ 10,376,000
Cost of sales	7,706,000	7,533,000
Expenses	2,019,000	2,048,000
Interest expense	113,000	127,000
Income before taxes	$ 743,000	$ 668,000
Income taxes	299,000	287,000
Net Income	$ 444,000	$ 381,000

* Included in Costs and Expenses, Depreciation and Amortization: $270,000,000 in 1987 and $263,000,000 in 1986.

Assets (000's)

As of	1/30/88	1/31/87
Cash & market secur.	$ 172,000	$ 469,000
Accts. receiv., net	1,670,000	1,591,000
*Inventories	1,481,000	1,432,000
Other curr. assets	58,000	124,000
Current assets	$ 3,381,000	$ 3,616,000
#Fixed assets	2,632,000	2,502,000
Other assets	168,000	182,000
Total Assets	$ 6,181,000	$ 6,300,000

Liabilities (000's)

Long-term debt, curr.	$ 42,000	$ 145,000
Accounts payable	906,000	838,000
Accruals	534,000	564,000
Income taxes	78,000	168,000
Curr. Liabilities	$ 1,560,000	$ 1,695,000
Long-term debt & cap. lease oblig.	1,192,000	1,136,000
Def. inc. taxes	404,000	471,000
Def. invest. tax credit	51,000	62,000
Deferred comp.	184,000	167,000
Unrealized apprec.	64,000	71,000
Redeem. pref. stock	3,000	103,000
+Common stock	149,000	153,000
Add. paid-in capital	41,000	179,000
Retained earnings	2,533,000	2,263,000
Total Liabilities & Shareholders' Equity	$ 6,181,000	$ 6,300,000

* At lower of cost or market. Stated at LIFO cost for dept. and discount stores; all others at FIFO.
# Less accumulated depreciation.
+ $1.00 par value.

Statistical Summary

%Income before Taxes to Sales	7.02	6.44
%Net Income to Sales	4.20	3.67
%Net Income to Equity	16.31	14.68
Sales to Inventories	7.14	7.25
Debt to Equity	0.45	0.49
Working Capital	$ 1,821,000,000	$ 1,921,000,000
Current Ratio	2.17	2.13
Shareholders' Equity	$ 2,723,000,000	$ 2,595,000,000

Mayfair Super Markets, Inc.

681 Newark Avenue
Elizabeth, New Jersey 07208
(201) 352-6400

Officers: Stanley P. Kaufelt, chairman of the board & chief executive officer; Anthony R. Petrillo, president & chief operating officer; Frank Curci, v.p.-finance & chief financial officer; Charles M. Criscuolo, v.p.-store operations; Richard Cantolino, v.p.-engineering; Paul Cona, v.p.-loss prevention; Jacqueline Keller, v.p.-marketing & communications; Robert Behrens, v.p.-produce; H. Anthony Kluxen, III, v.p.-grocery merchandising; Harry Pappas, v.p.-meat merchandising; Florence Kaufelt, secretary.

Directors: Stanley P. Kaufelt, chairman of the board; Robert Kaufelt, Jonathan Kaufelt, Jacqueline Keller, Anthony Petrillo.

Business Activities: Operates a chain of food stores in central and northern New Jersey, all operating under the name of Foodtown.

Transfer Agent(s):

The Midlantic National Bank
Metro Park Plaza
Edison, New Jersey 08817

Stock Exchange(s): Over-the-Counter

Ticker Symbol: MYFRA (NASDAQ)

Number of Stores: (at fiscal year end)

1987	40	1984	31
1986	33	1983	34
1985	32		

Sales & Earnings

	Net Sales	Net Income
1987	$ 488,101,000	$ 9,795,000
1986	431,591,000	6,784,000
1985	360,783,179	4,090,842
1984	323,880,880	1,214,980
1983 *	341,179,875	3,134,000

	No. of Com. Shares +	Earn. per Share ‡
1987	7,819,644	$ 1.25
1986	7,820,396	0.87
1985	7,791,862	0.53
1984	7,995,040	0.16
1983 *	8,504,860	0.37

* 53 weeks.
+ Based on the weighted average number of Class A and Class B common shares outstanding adjusted to reflect recapitalization and stock splits.
‡ Based on the weighted average number of Class A common shares outstanding adjusted to reflect recapitalization and stock splits.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1987	$ 0.01	—	2-for-1
1986	0.02	—	2-for-1
1985	0.02	—	3-for-2
1984	0.02	—	—

+ Adjusted to reflect stock splits.

Common Stock Equity‡

	Total Equity	Equity Per Share
1987	$ 30,174,000	$ 3.86
1986	20,441,000	2.61
1985	13,783,413	1.77
1984	9,635,539	1.21
1983	8,761,420	1.03

‡ Based on the weighted average number of Class A and Class B common shares outstanding adjusted to reflect recapitalization and stock splits.

Income Account

Year ended	8/29/87	8/30/86
Net sales	$ 488,101,000	$ 431,591,000
Cost of sales	366,264,000	326,402,000
Expenses	94,347,000	84,611,000
Depreciation & amortization	7,070,000	5,553,000
Other income	(1,685,000)	(1,251,000)
Interest expense	3,202,000	3,105,000
Income before taxes	$ 18,903,000	$ 13,171,000
Income taxes	9,108,000	6,387,000
Net Income	$ 9,795,000	$ 6,784,000

Assets

As of	8/29/87	8/30/86
Cash	$ 5,196,000	$ 6,036,000
Short-term invest.	4,280,000	5,454,000
Accts & notes receiv., net	2,714,000	1,901,000
*Inventories	13,245,000	13,269,000
Prepaid expenses	1,254,000	1,215,000
Current Assets	$ 26,689,000	$ 27,875,000
Investments	2,848,000	2,648,000
#Fixed assets	65,505,000	53,471,000
Other assets	2,060,000	2,255,000
Total Assets	$ 97,102,000	$ 86,249,000

Liabilities

Notes payable	$ —	$ 325,000
Long-term debt, curr.	1,854,000	1,905,000
Cap. lease oblig. curr.	1,133,000	1,046,000
Accts. payable & accruals	28,307,000	24,717,000
Def. inc. taxes	1,201,000	1,035,000
Curr. Liabilities	$ 32,495,000	$ 29,228,000
Long-term debt	9,763,000	11,746,000
Cap. lease oblig.	22,210,000	22,952,000
Deferred income taxes	2,460,000	1,882,000
+Class A Common Stock	63,000	31,000
++Class B Common stock	15,000	8,000
Add. paid-in capital	707,000	746,000
Retained earnings	29,389,000	19,656,000
Total Liabilities & Shareholders' Equity	$ 97,102,000	$ 86,249,000

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.
++ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	3.87	3.05
%Net Income to Sales	2.01	1.57
%Net Income to Equity	32.46	33.19
Sales to Inventories	36.85	32.53
Debt to Equity	0.74	1.87
Shareholders' Equity	$ 30,174,000	$ 20,441,000

J.W. Mays, Inc.

510 Fulton Street
Brooklyn, New York 11201
(718) 624-7400

Officers: Max L. Shulman, chairman of the board & chief executive officer; Lloyd J. Shulman, president & chief operating officer; Alex Slobodin, exec. v.p. & treasurer; Melvin M. Kandin, v.p.; Ward Lyke, Jr., v.p.-management information services; Salvatore Cappuzzo, secretary; Paul Gremblatt, controller & assistant secretary.

Directors: Lloyd J. Shulman*, Frank J. Angell*, Max L. Shulman*, Sylvia W. Shulman, Alex Slobodin*, Melvin Kandin, Lewis D. Siegel.

* Member of the Executive Committee

Business Activities: Operates three department stores in New York City which sell ready-to-wear clothing for the entire family, hardgoods, domestic, jewelry and furniture.

Transfer Agent(s):

Harris Trust Company of New York
110 William Street
New York, New York 10038

Stock Exchange(s): Over-the-Counter

Ticker Symbol: MAYS (NASDAQ)

Number of Stores: (at fiscal year end)

1987	3	1984	4
1986	4	1983	4
1985	4		

Sales & Earnings

	Net Sales	Net Income †
1987	$ 73,767,813	$ 1,862,986
1986	76,607,725	(1,078,535)
1985	77,218,285	(2,563,347)
1984	80,270,504	1,631,466
1983	77,175,223	(531,734)

	No. of Com. Shares	Earn. per Share ‡ †
1987	2,178,297	$ 0.86
1986	2,178,297	—
1985	2,178,297	—
1984	2,178,297	0.75
1983	2,178,297	—

(Loss)
† Including extraordinary gains of $459,000 ($0.21 per share) in 1987 and $390,000 ($0.18 per share) in 1984.
‡ Based on the weighted average number of shares of common stock and common stock equivalents.

Common Stock Equity

	Total Equity	Equity Per Share
1987	$ 14,783,177	$ 6.79
1986	12,920,191	5.93
1985	13,998,726	6.43
1984	16,562,073	7.60
1983	14,930,607	6.85

Income Account

Year end July 31	1987	1986
Net sales	$ 73,767,813	$ 76,607,725
Other income	7,433,273	4,150,718
Total income	$ 81,201,086	$ 80,758,443
Cost of sales	55,840,654	57,634,185
Expenses	21,384,524	21,817,638
Depreciation & amortization	1,041,799	1,151,914
Oper. income	$ 2,934,109	$ 154,706
Interest expense	976,063	1,121,881
Other expenses	12,060	28,360
Income (loss) before taxes	$ 1,945,986	$ (995,535)
Income taxes	542,000	83,000
Net income (Loss)	$ 1,403,986	$ (1,078,535)
Extraord. gain	459,000	—
Net income (Loss) & extraord. gain	$ 1,862,986	$ (1,078,535)

Assets

As of July 31	1987	1986
Cash	$ 1,679,189	$ 2,474,872
Temp. cash invest.	153,878	153,141
Accts. receiv., net	737,470	426,050
Prepaid taxes	10,614	17,537
*Inventories	7,051,261	8,417,539
Prepaid expenses	1,468,401	1,520,295
Real estate taxes	—	75,680
Current Assets	$ 11,082,813	$ 13,085,114
#Plant assets	19,373,944	19,631,657
Defer. charges	1,472,332	1,343,063
Total Assets	$ 31,929,089	$ 34,059,834

Liabilities

Loan payable	$ 3,000,000	$ 3,000,000
Long-term debt, curr.	1,024,700	2,387,686
Cap. lease oblig., curr.	75,006	111,141
Accts. payable	5,242,434	6,162,438
Customers' deposits	83,524	223,803
Accrued payroll	1,131,614	1,032,729
Inc. taxes payable	1,344	—
Misc. taxes	539,263	608,243
Curr. Liabilities	$ 11,097,885	$ 13,526,040
Long-term debt	3,762,477	6,964,532
Cap. lease oblig.	285,550	649,071
+Common stock	2,178,297	2,178,297
Add. paid-in capital	3,346,245	3,346,245
Retained earnings	9,258,635	7,395,649
Total Liabilities & Shareholders' Equity	$ 31,929,089	$ 34,059,834

* At lower of cost (58% at net invoice cost, remainder at retail inventory method) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income before Taxes to Sales	2.64	—
%Net Income to Sales	1.90	—
%Net Income to Equity	9.50	—
Sales to Inventories	10.49	9.10
Debt to Equity	0.69	1.01
Shareholders' Equity	$ 14,783,177	$ 12,920,191

MCA INC.

100 Universal City Plaza
Universal City, California 91608
(818) 777-1000

455 Park Avenue
New York, New York 10022
(212) 759-7500

Officers: Lew R. Wasserman, chairman of the board & chief executive officer; Sidney Jay Sheinberg, president & chief operating officer; Thomas Wertheimer, exec. v.p.; Irving Azoff, v.p. & chairman-Music Entertainment Group; Richard E. Baker, v.p. & controller; Robert B. Braswell, v.p.-corp. contributions; James N. Fiedler, v.p. & president-Discovision Associates; Lawrence P. Frahberg, v.p. & president-MCA Broadcasting Group; Eugene F. Gasquinto, v.p. & president-MCA Home Entertainment Group; Phyllis E. Grann, v.p. & president-The Putnam Publishing Group; Harold M. Haas, v.p., treasurer & chief financial officer; Robert D. Hadl, v.p. & general counsel; Robert A. Harris, v.p. & president-MCA Television Group; Stuart K. Mandel, v.p. & director-industrial relations; Donald Menchel, v.p. & president-MCA TV; Stanley Newman, v.p. & president-Consumer Products Group; Charles S. Paul, v.p. & president-MCA Enterprises; Thomas Pollock, v.p. & chairman-Motion Picture Group; Alvin Rush, v.p. & chairman-MCA Television Group; Michael Samuel, v.p. & secretary; George Smith, v.p. & general tax counsel; Lawrence D. Spungin, v.p. & president-MCA Development; Jay S. Stein, v.p. & president-MCA Recreation Services Group; Dennis F. Dallara, asst. controller; Christine R. Hanson, asst. secretary; Richard C. Schiller, asst. secretary.

Directors: Lew R. Wasserman*, chairman; Sidney Jay Sheinberg*, Howard P. Allen, Mary Gardiner Jones, Thomas V. Jones, Felix G. Rohatyn, Robert S. Strauss, Thomas Wertheimer*.

* Member of the Executive Committee

Business Activities: Engaged in production and distribution of theatrical, nontheatrical, television and home video products; operation of a tour of the company's motion picture studio; merchandising and publishing of film properties; manufacture and distribution of recorded music, music publishing, retail and mail order gift merchandising, development and marketing of toy production, television broadcasting, recreation services, and book publishing; Spencer Gifts a retail and mail order subsidiary headquartered in Atlantic City, New Jersey, operates Spencer Gifts retail gift stores, Intrigue jewelry stores and kiosks and A2Z-The Best of Everything Stores, located throughout the United States. Spencer Gifts sells a wide variety of specialty merchandise purchased from both domestic and foreign manufacturers, including notions, novelties, housewares, stationery, home decorations, cosmetics, jewelry, plus a variety of other products for home, office, personal use and gifts.

Divisions and Subsidiaries:

Universal City Studios Inc.
MCA Corporate Films
MCA Records, Inc.
Miller International Schallplatten G.m.b.H
Spencer Gifts, Inc.
Nebo Versand G.m.b.H.
Yosemite Park and Curry Co.
The Putnam Publishing Group, Inc.
Jove Publications, Inc.
Coward-McCann, Inc.
Cinema International Corporation N.V. (49% owned)
MCA New Ventures, Inc.
MCA Distributing Corporation
Berkley Publishing Corporation
Duchess Music Corporation
Leeds Music Corporation
MCA Music Limited
Charter Communications, Inc.
Grosset & Dunlap, Inc.
MCA Home Video, Inc.
MCA Cable Services, Inc.
MCA Artists (England) Limited
MCA Canada Ltd.
MCA Videodisc, Inc.
MCA Filmes Do Brasil Ltda.
MCA International B.V.
MCA Television Limited
Merchandising Corporation of America, Inc.
Richard Marek, Publishers, Inc.
Universal City Property Management Company
Universal Film Exchanges, Inc.
Universal International Films, Inc.
Universal Pay Television, Inc.
Universal City Consultants, Ltd.
Walter Lantz Productions

Yosemite Park and Curry Company
LJN Toys, Ltd.

Transfer Agent(s):

The Chase Manhattan Bank, N.A.
1 New York Plaza
New York, New York 10081

Stock Exchange(s): New York, Pacific

Ticker Symbol: MCA

Number of Stores: (at fiscal year end)

1987	N.A.	1984	454
1986	542	1983	442
1985	497		

N.A. - Not Available.

Sales & Earnings

	Revenues (000's)	Net Income (000's)
1987	$ 2,589,623	$ 137,254
1986	2,438,394	150,904
1985	2,098,525	149,959
1984	1,651,242	94,937
1983	1,584,539	147,160

	No. of Com. Shares ‡	Earn. per Share ‡
1987	75,473,188	$ 1.82
1986	76,718,875	1.97
1985	74,122,906	2.02
1984	72,821,877	1.30
1983	72,153,767	2.04

‡ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Revenues by Line of Business
(000's)

	1987	1986
Film entertainment	$ 1,330,288	$ 1,308,212
Records & music	477,493	386,171
Retail & mail order	319,950	302,478
Book publishing	158,964	132,008
Toy products	110,518	208,376
Broadcasting	85,256	—
Other operations	107,154	101,149
Total	$ 2,589,623	$ 2,438,394

Common Stock

	Cash Dividend+	Stock Dividend	Stock Split
1987	—	—	
1986	0.68	—	—
1985	0.61	—	3-for-2
1984	0.59	—	—
1983	0.59	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share
1987	$ 1,557,630,000	$ 21.42
1986	1,578,094,000	20.83
1985	1,400,761,000	18.69
1984	1,221,935,000	16.74
1983	1,153,226,000	15.91

Income Account *

Year ended Dec. 31	1987	1986
Revenues	$ 2,589,623	$ 2,438,394
Cost of sales & expenses	2,361,267	2,230,087
Corp., general & adm.	16,057	14,133
Interest income	(21,991)	(16,562)
Interest expense	43,436	7,032
Income bef. taxes	$ 190,854	$ 203,704
Income taxes	53,600	52,800
Net Income	$ 137,254	$ 150,904

* Included in Costs and Expenses, Depreciation and Amortization: $43,913,000 in 1987 and $36,408,000 in 1986.

Assets
(000's)

As of Dec. 31	1987	1986
Cash	$ 103,181	$ 158,458
Receiv., net	663,918	508,540
Film cost	379,099	270,031
*Inventories	209,112	151,779
Prepaid expenses	115,114	68,024
Current Assets	$ 1,470,424	$ 1,156,832
#Fixed assets	185,248	325,958
Other assets	1,679,120	1,175,239
Total Assets	$ 3,334,792	$ 2,658,029

Liabilities
(000's)

Accts. payable & accruals	$ 327,711	$ 238,072
Accrued payroll	302,262	269,161
Def. film revenues	39,229	41,495
Income taxes	3,824	29,586
Curr. Liabilities	$ 673,026	$ 578,314
Long-term debt	1,008,285	258,959
Accrued comp.	107,632	86,674
Other liabilities	77,219	54,988
Deferred taxes	111,000	101,000
+Common stock	459,171	451,013
Retained earnings	1,338,720	1,252,586
Treasury stock	(240,261)	(125,505)
Total Liabilities & Shareholders' Equity	$ 3,334,792	$ 2,658,029

* At lower of cost (FIFO) or estimated realizable value.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Income bef. Taxes to Revenues	7.37	8.34
%Net Income to Revenues	5.30	6.36
%Net Income to Equity	8.81	9.81
Debt to Equity	0.65	0.16
Working Capital	$ 797,398,000	$ 578,518,000
Current Ratio	2.18	2.00
Shareholders' Equity	$ 1,557,630,000	$ 1,578,094,000

Meadowdale Foods, Inc.

(formerly Allied Supermarkets, Inc.)

8711 Meadowdale
Detroit, Michigan 48228
(313) 943-3300

NOTE: The Company was taken private in a leveraged buy-out on July 22, 1987.

Officers: David K. Page, chairman of the board & chief executive officer; Lon D. Makanoff, president & chief operating officer; Joseph Mocnik, sr. v.p.-retail; Desmond DeFigueiredo, v.p.-information systems; Donald R. Gapp, v.p. & controller; David McQueen, v.p.-retail store operations; Larry J. Rasmussen, v.p.-real estate/store development; Dennis M. Siedlecek, v.p.-wholesale warehousing; Lloyd Silberman, v.p.-administration & treasurer; Edward Sudzina, v.p.-wholesale sales & merchandising.

Directors: David K. Page, chairman; Lon D. Makanoff.

Business Activities: The Company operates 23 Great Scott! supermarkets in Michigan, one drug store, and a wholesale division, Abner Wolf Distributors, which supplies independent grocery stores in Michigan and Ohio.

Divisions:

Great Scott! Supermarkets
Family Drug Company
Abner Wolf Distributors

Medicine Shoppe International, Inc.

1100 North Lindbergh
St. Louis, Missouri 63132
(314) 993-6000

Officers: Mitchell Yanow, chairman of the board; Jerome F. Sheldon, president & chief executive officer; David A. Abrahamson, v.p.-finance; James F. Atkinson, v.p.-marketing; Ronald T. Hofmeister, v.p.-store development; Cecil B. Johnson, v.p.-franchise sales; Darlene F. Halblom, secretary.

Directors: Mitchell Yanow, chairman; Melvin F. Brown, Ira C. Gall, Donald P. Gallop, Aron Katzman, Leslie F. Loewe, Jerome F. Sheldon.

Areas of Work: Operates 698 franchised drugstores under the name Medicine Shoppe in the contiguous 48 states.

Transfer Agent(s):

The Boatmen's National Bank
100 North Broadway
St. Louis, Missouri 63102

Stock Exchange(s): Over-the-Counter

Ticker Symbol: MSII (NASDAQ)

Number of Stores:

1987	698	1984	477
1986	641	1983	412
1985	565		

Sales & Earnings

	Revenues	Net Income
1987	$ 19,825,000	$ 4,407,000
1986	16,981,000	3,565,000
1985	13,886,000	2,956,000
1984	11,308,000	2,235,000
1983#	8,921,000	1,380,000

	No. of Com. Shares ‡	Earn. per Share ‡
1987	5,334,672	$ 0.83
1986	5,320,196	0.67
1985	5,309,379	0.56
1984	N.A.	0.45
1983#	N.A.	0.36

N.A. - Not Available.
The Company elected to be treated as a Subchapter S Corporation for income tax purposes. Net earnings per share are proforma.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	—	—	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	$ 26,186,000	$ 4.91
1986	21,663,000	4.07
1985	17,959,000	3.38
1984	14,931,000	—
1983	1,270,000	—

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account

Year ended Sept. 30	1987	1986
Revenues:		
Sales to franchisees	$ 4,745,031	$ 4,262,559
Franchise fees	12,609,615	10,257,153
Origination fees	1,171,670	1,400,314
Other income	1,298,284	861,256
Total income	$ 19,824,600	$ 16,981,282
Cost of sales	4,160,096	3,766,364
Expenses	8,729,962	7,596,369
Interest income	(324,537)	(399,110)
Income before taxes	$ 7,459,079	$ 6,217,659
Income taxes	3,052,000	2,652,468
Net income	$ 4,407,079	$ 3,565,191

* Included in Costs and Expenses, Depreciation and Amortization: $175,735 in 1987 and $108,597 in 1986.

Assets

As of Sept. 30	1987	1986
Cash	$ 1,711,923	$ 1,407,545
Short-term invest.	10,150,159	9,912,116
Invest. in receiv.	163,334	177,571
Accts. receiv., net	3,445,505	2,657,103
Finance notes & accrued int. receiv.	810,000	600,000
Notes & accrued int. receiv.	971,375	957,000
Other curr. assets	825,664	450,686
Current Assets	$ 18,077,960	$ 16,162,021
#Fixed assets	1,081,312	329,158
Other assets	10,724,174	8,709,838
Total Assets	$ 29,883,446	$ 25,201,017

Liabilities

Accts. payable	$ 1,139,784	$ 996,588
Accrued bonus	276,000	205,000
Accrued Gold prog. exp.	435,000	333,591
Accrued inc. taxes	310,122	319,031
Accrued profit-sharing	40,261	28,377
Other accruals	138,539	184,608
Curr. Liabilities	$ 2,339,706	$ 2,067,195
Deposits	42,295	40,684
Deferred inc. taxes	126,000	—
Deferred orig. fee inc.	1,189,527	1,429,909
+Common stock	53,411	35,526
Add paid-in capital	11,622,086	11,524,361
Retained earnings	14,510,421	10,103,342
Total Liabilities & Shareholders' Equity	$ 29,883,446	$ 25,201,017

Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	37.63	36.61
%Net Income to Sales	22.23	20.99
%Net Income to Equity	16.83	16.46
Working Capital	$ 15,738,254	$ 14,094,826
Current Ratio	7.73	7.82
Shareholders' Equity	$ 26,185,918	$ 21,663,229

Melville Corporation

3000 Westchester Avenue
Harrison, New York 10528
(914) 253-8000

Officers: Stanley P. Goldstein, chairman of the board, president & chief executive officer; Robert D. Huth, exec. v.p. & chief financial officer; Robert C. Kuhn, executive v.p.; Michael Friedheim, executive v.p.; Larry A. McVey, v.p.; Ira H. Peterman, v.p.; Harvey Rosenthal, v.p.; Daniel B. Katz, v.p.; Saul Rubenstein, v.p.; Elliott Schwartz, v.p.; Francis H. Arnone, v.p.; Stewart H. Brown, Jr., v.p.; Richard C. Ricalde, v.p.; Joel N. Waller, v.p.; William C. Kingsford, v.p. & controller; James A. Marcum, treasurer; Arthur V. Richards, secretary & gen. attorney; Raymond R. Moore, asst. secretary; James E. Alward, asst treasurer; Roger E. Haggerty, asst. treasurer; Michael B. Bega, asst. treasurer.

Directors: Stanley P. Goldstein*, chairman; Francis C. Rooney, Jr*, John G. Creedon, M. Cabell Woodward, Jr.*, Robert McDonald, Frank Melville, Kenneth K. Berland*, Robert C. Kuhn, Hyman L. Battle, Jr., Donald F. McCullough, James W. McKee, Jr., Louis V. Gerstner, Jr.*, Michael A. Friedham, Michael H. Jordan, Theodore Levitt.

* Member of the Executive Committee

Business Activities: Operates shoe stores under the names of Thom McAn, Open Country and Fan Club; leased self-service shoe departments (Meldisco) with units located primarily in K-Mart stores; Marshalls, a retail chain that sells brand name apparel for men, women and children; Chess King, a men's apparel specialty merchandising chain concentrating on the 14-to-22 year old market, and Wilsons, a retailer of leather apparel for men and women. Operates drug, health and beauty aid specialty stores under the names Consumer Value Stores (CVS) and Freddy's. Operates Kay-Bee Toy and Hobby shops. Operates home furnishings stores through Linens 'n Things, which retails brand name linens and towels; This End up Furniture Company, which retails popular priced casual furniture; and Prints Plus, which retails prints and posters.

Divisions and Subsidiaries:

Thom McAn Shoe Company

Melville Realty Company, Inc.
3000 Westchester Avenue
Harrison, New York 10528

Meldisco
933 Macarthur Boulevard
Mahwah, New Jersey 07430

Kay-Bee Toy & Hobby Shops, Inc.
Route 102
Lee, Massachusetts 01238

Fan Club/Open Country
67 Millbrook Street
Worcester, Massachusetts 01606

Consumer Value Stores
One CVS Drive
Woonsocket, Rhode Island 02895

Marshalls, Inc.
30 Harvard Mill Square
Wakefield, Massachusetts 01880

Chess King
350 Fifth Avenue
New York, New York 10118

Melville (Europe) Purchasing Ltd.
69, V.le F.lli Rosselli
Florence, 50144, Italy

Wilsons House of Suede, Inc.
11840 Olympic Boulevard
Los Angeles, California 90064

Linens 'n Things, Inc.
6 Brighton Road
Clifton, New Jersey 07015

FNS Sales, Inc. (Freddy's)
90 Commerce Drive
Rochester, New York 14623

This End Up Furniture Company
1309 Exchange Alley
Richmond, Virginia 23219

Prints Plus, Inc.
827 Arnold Drive
Suite 220
Martinez, California 94553

Transfer Agent(s):

Manufacturers Hanover Trust Company
Stock Transfer Department
450 West 33rd Street
New York, New York 10001

Stock Exchange(s): New York

Ticker Symbol: MES

Number of Stores: (at fiscal year end)

	Leased shoe dept's.	Apparel
1987	2,112	1,106
1986	2,094	973
1985	2,062	911
1984	2,055	1,575
1983	2,042	1,482

	Shoe stores	Health & beauty
1987	1,097	712
1986	1,129	640
1985	1,150	599
1984	1,193	555
1983	1,254	513

	Toy & hobby	Household furnishings
1987	676	414
1986	639	358
1985	584	268
1984	533	—
1983	456	—

Sales & Earnings

	Net Sales + ('000's)	Net Income ('000's)
1987	$ 5,930,283	$ 285,384
1986	5,262,364	238,332
1985	4,774,860	210,812
1984	4,261,627	190,386
1983	3,747,187	176,260

	No. of Com. Shares	Earn. per Share ‡
1987	54,367,281	$ 5.25
1986	54,232,594	4.40
1985	54,049,995	3.90
1984	52,857,882	3.60
1983	52,455,556	3.36

+ Of continuing operations only.
‡ Based on the average number of shares outstanding adjusted to reflect stock split.

Revenues by Line of Business

	1987 (000's)	%	1986 (000's)	%
Footwear	$1,554,001	26.2%	$1,532,850	29.1%
Health & beauty aids	1,489,381	25.1	1,248,605	23.7
Apparel	2,003,766	33.8	1,756,660	33.4
Toys	883,135	14.9	724,249	13.8
Total	$5,930,283	100%	$5,262,364	100%

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1987	$ 1.76	—	—
1986	1.56	—	—
1985	1.44	—	—
1984	1.32	—	—
1983	1.09	—	2-for-1

‡ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	$1,458,586,713	$ 26.83
1986	1,263,004,318	23.29
1985	1,102,204,881	20.39
1984	954,778,185	18.06
1983	828,040,880	15.79

‡ Adjusted to reflect stock split.

Income Account

Year ended Dec. 31	1987	1986
Net sales	$5,930,283,296	$5,262,364,161
Cost of sales	3,567,823,403	3,141,071,010
Expenses	1,766,154,187	1,573,726,471
Depreciation & Amortization	72,032,050	64,071,451
Interest expense (income)	1,011,761	(86,107)
Other expenses	3,961,317	3,618,761
Income before taxes	$ 518,600,578	$ 479,962,575
Income taxes	190,721,000	193,877,000
Minority interest	42,495,658	47,753,410
Net Income	$ 285,383,920	$ 238,332,165

Assets

As of Dec. 31	1987	1986
Cash	$ 341,815,727	$ 326,780,596
Accts. receiv., net	82,883,461	78,830,774
*Inventories	1,006,233,764	904,548,108
Prepaid expenses	57,649,689	41,284,858
Current Assets	$1,488,582,641	$1,351,444,336
Prop. leased under cap. leases	34,543,237	38,527,575
#Fixed assets	531,534,727	471,649,971
Defer. charges & other assets	30,948,003	13,400,035
Intangibles	145,444,470	123,759,799
Total Assets	$2,231,053,078	$1,998,781,716

Liabilities

Long-term debt, curr.	$ 3,031,014	$ 3,012,202
Cap. lease oblig., curr.	3,160,276	2,933,716
Accts. payable & accruals	501,323,109	456,658,752
Income taxes	61,146,146	71,981,626
Curr. Liabilities	$ 568,660,545	$ 534,586,296
Long-term debt	12,292,239	15,833,972
Cap. lease oblig.	45,915,969	49,541,432
Lease oblig.	80,439	117,403
Minority interest	87,990,494	85,006,693
Deferred inc. taxes	55,489,679	48,308,902
+Redeem. pref. stock	2,037,000	2,382,700
++Common stock	54,367,281	54,232,994
Add. paid-in capital	46,107,382	40,362,923
Retained earnings	1,358,112,050	1,166,408,401
Total Liabilities & Shareholders' Equity	$2,231,053,078	$1,998,781,716

* At lower of cost or market.
# Less accumulated depreciation and amortization.
+ $100 par value; Series B $4.00 dividend.
++ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	8.74	9.12
%Net Income to Sales	4.81	4.53
%Net Income to Equity	19.57	18.87
Sales to Inventories	5.89	5.82
Debt to Equity	0.04	0.06
Working Capital	$ 919,922,096	$ 816,858,040
Current Ratio	2.62	2.53
Shareholders' Equity	$1,458,586,713	$1,263,004,318

Mercantile Stores Company, Inc.

1100 North Market Street
Wilmington, Delaware 19801
(302) 655-4011

Officers: Leon F. Winbigler, chairman of the board; James C. Lovell, president; Harold W. Jockers, chairman of the exec. committee; William A. Heineman, v.p. & treasurer; Leroy J. Sheldon, v.p.; Edward J. Sharkey, v.p.; William A. Carr, controller; Dennis F. Murphy, secretary.

Directors: John A. Herdeg, Harold W. Jockers*, James C. Lovell*, Gerrish H. Milliken, Minot K. Milliken*, Roger Milliken*, George S. Moore, Edward J. Sharkey, Leon F. Winbigler*, Rene C. McPherson, Francis G. Rodgers, H. Keith Brodie.

* Member of the Executive Committee

Business Activities: Operates 12 chains of general merchandise department stores, as well as 17 free-standing beauty salons.

Divisions

Bacons
Louisville, Kentucky

Castner Knott Co.
Nashville, Tennessee

de Lendrecie's
Fargo, North Dakota

Gayfers
Mobile, Alabama

Glass Block
Duluth, Minnesota

Hennessy's
Billings, Montana

The Jones Store Co.
Kansas City, Missouri

Joslins
Denver, Colorado

Lion
Toledo, Ohio

McAlpin's
Cincinnati, Ohio

Root's
Terre Haute, Indiana

J. B. White
Augusta, Georgia
Columbia, South Carolina

Subsidiaries:

Mercantile Stores Company, Inc. (N.Y.)
128 West 31st Street
New York, New York 10001

Transfer Agent(s):

Harris Trust Company of New York
110 William Street
New York, New York 10038

Stock Exchange(s): New York

Ticker Symbol: MST

Number of Stores: (at fiscal year end)

1988	79	1985	78
1987	82	1984	77
1986	80		

Sales & Earnings

	Net Sales (000's)	Net Income (000's)
1988	$ 2,155,653	$ 129,556
1987	2,028,202	111,065
1986	1,880,039	102,448
1985	1,706,904	84,769
1984	1,625,958	83,222

	No. of Com. Shares †	Earn. per Share
1988	36,844,000	$ 3.52
1987	36,845,000	3.01
1986	36,845,000	2.78
1985	36,845,000	2.30
1984	36,845,000	2.26

† Adjusted to reflect stock splits.

Common Stock

	Cash Dividend†	Stock Dividend	Stock Split
1988	$ 0.675	—	2 1/2-for-1
1987	0.58	—	—
1986	0.51	—	—
1985	0.46	—	—
1984	0.40	—	2 1/2-for-1

† Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity (000's)	Equity Per Share †
1988	$ 872,335	$ 23.68
1987	767,728	20.84
1986	678,034	18.40
1985	594,377	16.13
1984	526,558	14.29

† Adjusted to reflect stock splits.

Income Account * (000's)

Year ended Jan. 31	1988	1987
Net sales	$ 2,155,653	$ 2,028,202
Cost of sales	1,476,327	1,377,763
Expenses	451,885	431,656
Interest expense	22,971	23,695
Interest income	(3,268)	(3,031)
Other income	(19,402)	(17,811)
Income bef. taxes	$ 227,140	$ 216,200

Mercantile Stores Company, Inc.

Income taxes	97,584	105,135
Net Income	$ 129,556	$ 111,065

* Included in Costs and Expenses, Depreciation; $47,141,000 in 1988 and $46,833,000 in 1987.

Assets
(000's)

As of Jan. 31	1988	1987
Cash	$ 101,911	$ 112,648
Receiv., net	588,510	548,132
*Inventories	332,175	306,516
Prepaid expenses	5,282	4,127
Current Assets	$ 1,027,878	$ 971,423
Investments	14,993	12,843
#Fixed assets	310,486	294,846
Total Assets	$ 1,353,357	$ 1,279,112

Liabilities
(000's)

Long-term debt, curr.	$ 7,926	$ 6,453
Accts. payable	81,109	81,099
Accruals	58,454	67,338
Income taxes	18,239	11,644
Other curr. liab.	44,701	48,191
Curr. Liabilities	$ 210,429	$ 214,725
Long-term debt	205,241	205,786
Due to affil. cos.	19,942	19,460
Deferred inc. taxes	45,410	71,413
+Common stock	5,403	5,404
Add. paid-in capital	6,018	6,096
Retained earnings	860,914	756,228
Total Liabilities & Shareholders' Equity	$ 1,353,357	$ 1,279,112

* At LIFO cost which is lower than market.
# Less accumulated depreciation.
+ $0.14 2/3 par value.

Statistical Summary

%Income bef. Taxes to Sales	10.54	10.66
%Net Income to Sales	6.01	5.48
%Net Income to Equity	14.85	14.47
Sales to Inventories	6.49	6.62
Debt to Equity	0.24	0.28
Working Capital	$ 817,449,000	$ 756,698,000
Current Ratio	4.88	4.52
Shareholders' Equity	$ 872,335,000	$ 767,728,000

Merry-Go-Round Enterprises, Inc.

1220 East Joppa Road
Towson, Maryland 21204
(301) 828-1000

Officers: Harold Goldsmith, chairman; Michael D. Sullivan, president and chief executive officer; Leonard Weinglass, vice chairman; Isaac Kaufman, senior vice president, chief financial officer, secretary & treasurer; Robert L. Heyman, vice president-warehousing; Frank C. Peters, vice president and controller; Marvin S. Rice, vice president-store design and construction; Ken Rodriquez, vice president-merchandising; Wayne J. Schuchart, vice president-management information systems; Barrie R. Wood, vice president-real estate; Myrna Villanueva, assistant controller, Merry-Go-Round Division; Paul D. Levine, president, Merry-Go-Round Division; George E. Kucin, v.p.-merchandising, Merry-Go-Round Division; Joseph R. VanderPluym, v.p.-store operations, DJ's Dejaiz/Attivo Division; Stuart M. Lucas, president, DJ's Dejaiz/Attivo Division; Gary W. Gillan, v.p.-store operations; Robert B. Simon, v.p.-store operations, DJ's Dejaiz/Attivo Division; Ken Rodriquez, president, Cignal Division; Gilbert Perrone, v.p.-store operations, Cignal Division.

Directors: Harold Goldsmith, chairman; Leonard Weinglass, Michael D. Sullivan, John F. Ireton, Thomas J. Byrne, Jr, Robert B. Bank.

Business Activities: The company is a major national specialty retailer of contemporary fashions for young men and women, with 432 stores in 32 states and the District of Columbia. The company's contemporary fashions appeal to a broad consumer base that ranges in age from 14 to 40 years.

Subsidiaries:

Dejaiz (DJ's Fashion Center for Men)
Cignal

Merry-Go-Round

Attivo

Transfer Agents(s):

Maryland National Bank
Baltimore, Maryland

Stock Exchange(s): Over-the-Counter

Ticker Symbol: MGRE (NASDAQ)

Number of Stores: (at fiscal year end)

1988	432	1985	272
1987	388	1984	223
1986	334		

Sales & Earnings

	Net Sales	Net Income
1988	$ 255,190,000	$ 10,080,000
1987	207,483,000	7,485,000
1986	164,119,000	7,285,000
1985	158,088,000	9,825,000
1984	111,784,000	7,269,000

	No. of Com. Shares ‡	Earn. per Share ‡ *
1988	9,532,000	$ 1.06
1987	9,531,000	0.79
1986	9,531,000	0.76
1985	9,495,000	1.03
1984	9,162,000	0.79

‡ Based on the weighted average number of common shares outstanding adjusted to reflect stock splits.
* Prof Forma.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	—	—	3-for-2
1987	—	—	—
1986	—	—	—
1985	—	—	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	$ 52,599,000	$ 5.52
1987	42,484,000	4.46
1986	34,963,000	3.67
1985	27,642,000	2.89
1984	17,597,000	1.84

‡ Adjusted to reflect stock splits

Income Account*
(000's)

Year ended	1/30/88	1/31/87
Net sales	$ 255,190	$ 207,483
Cost of sales	178,006	142,302
Expenses	58,369	49,863
Interest exp.	1,056	654
Income before taxes	$ 17,559	$ 14,664
Income taxes	7,679	7,179
Net Income	$ 10,080	$ 7,485

* Included in Costs and Expenses, Depreciation and Amortization: $8,972,000 in 1988 and $6,466,000 in 1987

Assets
(000's)

As of	1/30/88	1/31/87
Cash	$ 1,572	$ 3,146
Marketable securities	5,313	638
Accts. receiv., net	1,410	1,185
*Inventories	21,221	23,235
Prepaid expenses	2,332	2,835
Current Assets	$ 31,848	$ 31,059
#Fixed assets	47,228	38,959
Leasehold interest in prop. & equip.	1,838	2,127
Other assets	205	386
Total Assets	$ 81,119	$ 72,531

Liabilities
(000's)

Long-term debt & cap. lease oblig., curr.	$ 181	$ 288
Accts. payable	14,542	18,126
Accruals	7,073	4,896
Income taxes	1,212	2,386
Curr. Liabilities	$ 23,008	$ 25,696
Revolving credit loan	720	—
Cap. lease oblig.	2,522	2,703
Other liabilities	2,270	1,648
+Common stock	95	95
Add. paid-in capital	964	964
Retained earnings	52,140	42,061
Subscrip. receiv.	(600)	(636)
Total Liabilities & Shareholders' Equity	$ 81,119	$ 72,531

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ 0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	6.96	7.07
%Net Income to Sales	3.95	3.61
%Net Income to Equity	19.16	17.62
Sales to Inventories	12.03	8.93
Debt to Equity	0.07	0.07
Working Capital	$ 8,840,000	$ 5,363,000
Current Ratio	1.38	1.21
Shareholders' Equity	$ 55,599,000	$ 42,484,000

J. Michaels, Inc.

182 Smith Street
Brooklyn, New York 11201
(718) 852-6100

Officers: James Michaels, president; Francis Mavica, exec. v.p.; Bernard Seidler, v.p.; Martin Kasman, secretary/treasurer.

Directors: James Michaels, Francis Mavica, Edward P. Sullivan, Melvin Feinbold, Lance Davis, Martin Kasman.

Business Activities: Operates six retail stores which sell furniture, bedding, floor coverings, television sets, stereo equipment and major appliances in the Brooklyn and Buffalo, New York areas.

Transfer Agent(s):

American Stock Transfer and Trust Company
New York, New York

Stock Exchange(s): Over-the-Counter

Number of Stores: (at fiscal year end)

1988	6	1986	6
1987	6		

Sales & Earnings

	Net Sales †	Net Income
1987	$ 10,983,751	$ 844,176
1986	11,411,464	942,524
1985	11,997,526	1,061,088
1984	12,150,193	1,001,467
1983	11,027,096	783,559

	No. of Com. Shares ‡	Earn. per Share ‡
1987	876,282	$ 0.96
1986	876,282	1.08
1985	877,244	1.21
1984	877,244	1.14
1983	878,982	0.89

† Of continuing operations only.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1987	$ 0.36	—	—
1986	0.30	—	—
1985	0.27	—	—
1984	0.24	—	3-for-2
1983	0.21	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	$ 12,051,460	$ 13.75
1986	11,522,744	13.15
1985	10,843,105	12.36
1984	10,037,074	11.44
1983	9,246,694	10.54

‡ Adjusted to reflect stock split.

Income Account

Year ended Mar. 31	1987	1986
Net sales	$ 9,320,250	$ 9,738,332
Other income	1,663,501	1,673,132
Total income	$ 10,983,751	$ 1,411,464
Cost of sales	3,840,320	4,209,971
Expenses	4,793,886	4,869,000
Bad debt expense	685,243	634,548
Depreciation & amortization	118,572	121,972
Interest expense	79,680	79,163
Interest income	(360,654)	(401,772)
Other income	(27,472)	(135,942)
Income before taxes	$ 1,854,176	$ 2,034,524
Income taxes	1,010,000	1,092,000
Net Income	$ 844,176	$ 942,524

Assets

As of Mar. 31	1987	1986
Cash	$ 1,278,141	$ 801,564
Short-term invest.	5,421,499	4,959,406
Notes receiv.	37,500	52,500
Accts. receiv., net	7,678,150	7,849,390
Refundable taxes	27,431	—
*Inventories	1,179,150	1,184,473
Prepaid expenses	105,758	150,521
Current Assets	$ 15,547,629	$ 14,997,854
#Fixed assets	1,253,313	1,346,546
Other assets	17,774	21,516
Total Assets	$ 16,818,716	$ 16,365,916

Liabilities

Long-term debt, curr.	$ 101,692	$ 10,393
Accts. payable	785,651	370,476
Accrued payroll	276,744	249,302
Accrued taxes	33,164	54,588
Accrued interest	10,000	10,000
Other accruals	77,882	45,106
Income taxes	491,502	3,416,930
Curr. Liabilities	$ 1,376,635	$ 4,156,795
Long-term debt	579,770	660,700
Deferred inc. taxes	2,810,851	25,677
+Common stock	1,105,369	1,105,369
Add.paid-in capital	1,025,224	1,025,224
Retained earnings	10,149,954	9,621,238
Treasury stock	(229,087)	(229,087)
Total Liabilities & Shareholders' Equity	$ 16,818,716	$ 16,365,916

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	19.89	20.89
%net Income to Sales	9.06	9.68
%Net Income to Equity	7.00	8.18
Sales to Inventories	7.90	8.22
Debt to Equity	0.06	0.06
Working Capital	$ 14,170,994	$ 10,841,059
Current Ratio	11.29	3.61
Shareholders' Equity	$ 12,051,460	$ 11,522,744

Michaels Stores, Inc.

5931 Campus Circle Drive
Las Colinas Business Park
Irving, Texas 75063
(214) 580-8242

Mailing address:

P.O. Box 612566
DFW, Texas 75261-2566

Officers: Sam Wyly, chairman of the board; Charles J. Wyly, Jr., vice chairman; B.B. Tuley, president & chief executive officer; R. Richard Fontaine, sr. v.p.-marketing; James R. Kelly, sr. v.p.-operations; J. Eugene Stubbs, sr. v.p.-finance & administration & chief financial officer; Douglas B. Sullivan, sr. v.p.-real estate; Joel H. Mathis, v.p.-administration & asst. secretary; Mark V. Beasley, general counsel & secretary.

Directors: Sam Wyly, chairman of the board; Charles J. Wyly, Jr., William O. Hunt, Donald G. Thomson, B.B. Tuley.

Business Activities: Operates a chain of 96 specialty retail stores in 14 states. These stores feature creative products for the home, including picture framing materials and services, silk and dried flowers and related floral items, needlework and other arts and crafts items, greeting cards and party supplies, hobby kits and related supplies.

Acquisition:

Moskatel's, Inc.
Los Angeles, California
A specialty retail chain operating 28 stores, primarily in California.

Transfer Agent(s):

Texas American Bank/Dallas
Dallas, Texas

Stock Exchange(s): American

Ticker Symbol: MKE

Number of Stores: (at fiscal year end)

1987	96	1984	33
1986	51	1983	10
1985	41		

Sales & Earnings

	Net Sales	Net Income
1987	$ 167,186,000	$ 4,897,000
1986	115,904,000	3,336,000
1985	76,197,000	1,484,000
1984	46,386,000	(25,000)

	No. of Com. Shares ‡	Earn. per Share ‡
1987	9,836,000	$ 0.50
1986	9,605,000	0.35
1985	7,897,000	0.19
1984	5,972,000	—

(Loss)
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	$ 33,422,000	$ 3.40
1986	28,227,000	2.94
1985	23,598,000	2.99
1984	10,802,000	1.81

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account * (000's)

Year ended	1/31/88	2/1/87
Net sales	$ 167,186	$ 115,904
Cost of sales	112,015	77,552
Expenses	43,019	30,365
Interest expense	4,550	1,603
Interest income	(946)	(257)
Income before taxes	$ 8,548	$ 6,641
Income taxes	3,651	3,305
Net Income	$ 4,897	$ 3,336

* Included in Costs and Expenses, Depreciation and Amortization $2,617,000 in 1987 and $1,797,000 in 1986.

Assets (000's)

As of	1/31/88	2/1/87
Cash	$ 2,768	$ 11,662
Accts. receiv., net	1,061	409
*Inventories	51,610	25,798
Prepaid expenses	1,448	1,009
Current Assets	$ 56,887	$ 38,878
#Fixed assets	18,665	8,892
Other assets	275	196
Intangibles	27,088	12,770
Total Assets	$ 102,915	$ 60,736

Liabilities (000's)

Line of credit	$ 3,500	—
Long-term debt, curr.	271	445
Accts. payable	9,398	5,122
Accruals	8,276	5,657
Income taxes	6	272
Curr. Liabilities	$ 21,451	$ 11,496

Long-term debt	46,366	19,923
Deferred inc. taxes	1,676	1,090
+Common stock	961	958
Add. paid-in capital	21,383	21,164
Retained earnings	11,958	7,061
Notes receiv. from officers	(709)	(709)
Treasury stock	(171)	(247)
Total Liabilities & Shareholders' Equity	$ 102,915	$ 60,736

° At lower of cost (Retail and FIFO) or market.
Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	5.11	5.73
%Net Income to Sales	2.93	2.88
%Net Income to Equity	14.65	11.82
Sales to Inventories	3.24	4.49
Debt to Equity	1.50	0.72
Working Capital	$ 35,436,000	$ 27,382,000
Current Ratio	2.65	3.38
Shareholders' Equity	$ 33,422,000	$ 28,227,000

Montgomery Ward & Co., Incorporated

(A wholly owned subsidiary of Mobil Corporation)

One Montgomery Ward Plaza
Chicago, Illinois 60671-0042
(312) 467-2000

(On March 6, 1988, Mobil Corporation and an investor group led by Montgomery Ward senior management signed a definitive purchase agreement for Mobil to sell Montgomery Ward to the investor group.)

Officers: Bernard F. Brennan°, president & principal executive officer; Robert C. Carr°, executive v.p. & principal financial officer; Edwin G. Pohlmann°, v.p., controller & principal accounting officer.

° Member of the Executive Committee

Directors: Bernard F. Brennan°, Robert C. Carr°, Andrew L. Gaboriault°, James Q. Riordan°, ° By Power of Attorney .

° Member of the Executive Committee

Business Activities: Operates 316 retail stores, including 94 specialty stores, in 39 states. Also operates 23 liquidation centers which sell overstock merchandise, 26 distribution facilities, and 116 product service centers.

Subsidiaries:

Montgomery Ward Credit Corporation

Signature Financial/Marketing, Inc.

Number of Retail Units:

1987	339	1984	589
1986	320	1983	576
1985	N.A.		

N.A.-Not Available.

Sales & Earnings

	Revenues	Net Income
1987	$ 5,024,000,000	$ 130,000,000
1986°	4,870,000,000	110,000,000
1985	6,066,000,000	(298,000,000)

	No. of Com. Shares	Earn. per Share
1987	11,168	—
1986°	11,168	—
1985	11,168	—

(Loss)
° 53 weeks.

Common Stock Equity

	Total Equity	Equity Per Share
1987	$ 1,539,000,000	—
1986	1,456,000,000	—
1985	1,420,000,000	—

Income Account °
(000's)

Year ended	1/2/88	12/31/86 (53 weeks)
Net sales	$ 4,639,000	$ 4,383,000
Fin. charge rev.	385,000	487,000
Total Income	$ 5,024,000	$ 4,870,000
Cost of sales	3,351,000	3,202,000
Expenses	1,299,000	1,247,000
Interest expense	156,000	216,000
Income before taxes	$ 218,000	$ 205,000
Income taxes	88,000	95,000
Net Income	$ 130,000	$ 110,000

° Included in Costs and Expenses, Depreciation and Amortization: $93,000,000 in 1987 and $90,000,000 in 1986.

Assets
(000's)

As of	1/2/88	12/31/86
Cash	$ 38,000	$ 34,000
Accts. receiv., net	365,000	369,000
Accts. & notes receiv.-affil.	252,000	310,000
°Inventories	774,000	716,000
Prepaid expenses	60,000	48,000
Prepaid inc. taxes	197,000	321,000
Assets held for dispos.	12,000	36,000
Current Assets	$ 1,698,000	$ 1,834,000
Investments	997,000	980,000
#Fixed assets	929,000	890,000
Assets held for dispos.	41,000	71,000
Other assets	84,000	52,000
Total Assets	$ 3,729,000	$ 3,827,000

Liabilities
(000's)

Long-term debt, curr.	$ 28,000	$ 29,000
Accts. & note pay.-affil.	176,000	308,000
Accts. payable & accruals	1,224,000	1,130,000
Accruals for restruc.	54,000	82,000
Curr. Liabilities	$ 1,482,000	$ 1,549,000
Long-term debt	266,000	287,000
Cap. lease oblig.	190,000	204,000
Deferred inc. taxes	133,000	203,000
Other liabilities	119,000	128,000
+Common stock	—	—
Add. paid-in capital	1,159,000	1,156,000
Retained earnings	380,000	300,000
Total Liabilities & Shareholders' Equity	$ 3,729,000	$ 3,827,000

° At lower of cost (LIFO) or market.
Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.70	4.68
%Net Income to Sales	2.80	2.51
%Net Income to Equity	8.45	7.55
Sales to Inventories	5.99	6.12
Debt to Equity	0.31	0.36
Working Capital	$ 216,000,000	$ 285,000,000
Current Ratio	1.15	1.18
Shareholders' Equity	$ 1,539,000,000	$ 1,456,000,000

Morse Shoe, Inc.

555 Turnpike Street
Canton, Massachusetts 02021
(617) 828-9300

(Became a privately held corporation via a leveraged buyout in January 1988.)

Officers: Manuel Rosenberg, president & chief executive officer; Thomas J. Galligan, III, sr. v.p., chief financial officer & treasurer; Kenneth C. Cummins, v.p., secretary & general counsel; Daniel L. Goldberg, v.p. & director of merchandise planning; Herbert I. Rosenberg, v.p. & general merchandise & employee manager-Leased Division; Charles F. Messina, v.p.-personnel & employee relations; Marvin G. Schwartz, v.p. & comptroller; Norman M. Weiser, v.p. & director of management information systems; Richard L. Bowen, v.p.-operations & administration; Shawn Lyons, asst. comptroller; Anthony R. Morro, asst. comptroller; James C. Nenaiah, asst. secretary.

Directors: Alfred L. Morse, Manuel Rosenberg, Donald C. Carroll, Jerome Zimmerman, Jesse Hill, Jr., Robert Sakowitz, Ernest J. Sargeant, Peter V. Tishman, Thomas J. Galligan, III.

Business Activities: Operates chains of retail shoe stores (Fayva, Morse and Upstage) and footwear departments in discount stores in the United States and Canada; manufactures footwear in the U.S. and Puerto Rico. Wholesales footwear in the United States, Canada and Europe.

Divisions and Subsidiaries:

Lowell Shoe, Inc.
95 Bridge Street
Lowell, Massachusetts 01852
(617) 933-4201

Morse Shoe (Canada) ltd.
St. Laurent, Quebec, Canada

Morse Shoe International Division
Canton, Massachusetts

Isabela Shoe Corp.
Isabela, Puerto Rico

White Cap Footwear, Inc.
Comerio, Puerto Rico

Retail Divisions:

Fayva
Morse/Upstage
Morse Merchandising Programs

Number of Stores:° (at fiscal year end)

1986	1,310	1983	1,196
1985	1,388	1982	1,359
1984	1,307		

° Including leased departments.

Sales & Earnings

	Net Sales	Net Income
1986°	$ 585,591,000	$ 9,733,000
1985	540,961,000	7,164,000
1984	526,546,000	9,092,000
1983	522,964,000	19,181,000
1982	447,965,000	(2,183,000)

	No. of Com. Shares	Earn. per Share ‡
1986*	5,464,587	$ 1.78
1985	5,434,766	1.32
1984	5,434,266	1.68
1983	5,394,174	3.57
1982	5,311,543	—

(Loss)
* 53 weeks.
‡ Based on the weighted average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1986	$ 0.80	—	—
1985	0.80	—	—
1984	0.80	—	—
1983	0.45	—	—
1982	0.50	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1986	$ 138,548,000	$ 25.35
1985	132,946,000	24.46
1984	130,554,000	24.02
1983	125,665,000	23.30
1982	107,665,916 ‡	20.27

‡ After allowing for preferred stock at liquidation value of $40.35 per share.

Income Account (000's)

Year ended	1/3/87 (53 Weeks)	12/28/85
Net sales	$ 585,591	$ 540,961
Cost of sales	340,838	327,179
Expenses	212,959	191,000
Depreciation & amortization	9,315	6,904
Interest expense	8,362	5,769
Income before taxes	$ 14,121	$ 10,109
Income taxes	4,388	2,945
Net Income	$ 9,733	$ 7,164

Assets (000's)

As of	1/3/87	12/28/85
Cash & time deposits	$ 37,523	$ 27,305
Accounts receivable, net	29,920	26,216
Prepaid income taxes	10,067	8,240
*Inventories	129,099	140,116
Prepaid expenses	3,812	1,186
Current Assets	$ 210,421	$ 203,063
Fixed assets	51,360	49,590
Other assets	8,447	3,616
Total Assets	$ 270,228	$ 256,269

Liabilities (000's)

Long-term debt, curr.	$ 5,356	$ 4,507
Accts. payable	17,302	19,428
Accruals	17,797	20,843
Dividends payable	1,093	1,087
Income taxes	5,331	2,965
Curr. Liabilities	$ 46,879	$ 48,830
Long-term debt	78,708	59,065
Other liabilities	6,093	5,428
+Common stock	5,465	5,435
Add. paid-in capital	2,415	1,997
Equity adjust. from for. curr. trans.	(1,679)	(1,462)
Retained earnings	132,347	126,976
Total Liabilities & Shareholders' Equity	$ 270,228	$ 256,269

* At lower of cost or market. U.S. inventories valued at LIFO; non-U.S. inventories valued at FIFO or the retail method.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	2.41	1.87
%Net Income to Sales	1.66	1.32
%Net Income to Equity	7.03	5.39
Sales to Inventories	4.54	3.86
Debt to Equity	0.61	0.55
Working Capital	$ 163,542,000	$ 154,233,000
Current Ratio	4.49	4.16
Shareholders' Equity	$ 138,548,000	$ 132,946,000

Mott's Super Markets, Inc.

P.O. Box 1675
Hartford, Connecticut 06144-1675
(203) 289-3301

Officers: Barry Baskind, president & chief operating officer; Lewis Ellish, vice chairman of the board; Stanley Baskind, exec. v.p.-finance, treasurer & secretary; Barry Chaiken, controller.

Directors: Lewis Ellish, John B. Dempsey, Stanley Baskind, Marshall J. Mott, John B. Abrahms, Barry P. Baskind, Gloria Schaffer.

Business Activities: Operates three Shop-Rite Supermarkets in Connecticut. One of these supermarkets also contains an in-store prescription drug department. In addition, two retail package store outlets are operated in Connecticut under the name "Shop-Rite Liquor Sotre."

Transfer Agent(s):

Connecticut Bank & Trust Company
Hartford, Connecticut

Stock Exchange(s): American

Ticker Symbol: MSM

Number of Stores: (at fiscal year end)

1987	5	1984	26
1986	22	1983	26
1985	23		

Sales & Earnings

	Net Sales +	Net Income ‡
1987	$ 2,745,000	$ 5,178,000
1986	2,670,000	(2,746,000)
1985	2,272,000	(4,696,000)
1984	2,401,000	463,000
1983	2,474,000	1,540,000

	No. of Com. Shares	Earn. per Share ‡
1987	2,786,224	$ 1.86
1986	2,786,224	—
1985	2,786,224	—
1984	2,786,224	0.17
1983	2,786,224	0.55

(Loss)
+ Of continuing operations only.
‡ Including extraordinary gain of $6,488,919 ($2.33 per share) in 1987.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	$ —	—	—
1986	—	—	—
1985	0.20	—	—
1984	0.20	—	—
1983	0.20	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1987	$ 28,095,000	$ 10.08
1986	22,842,000	8.20
1985	25,588,388	9.18
1984	30,841,260	11.07
1983	30,935,984	11.10

Income Account

Year ended	1/2/88	1/3/87
Net sales	$ 2,744,692	$ 2,669,568
Cost of sales	2,228,532	2,180,821
Expenses	455,180	415,857
Depreciation	14,078	13,622
Interest income	(1,135,164)	(1,276,305)
Interest expense	449,218	953,062
Other expense (income)	(148,401)	21,212
Inc. bef. taxes	$ 881,249	$ 361,299
Income taxes	115,853	54,160
Income-cont. oper.	$ 765,396	$ 307,139
Loss-discont. oper.	(2,076,185)	(3,053,187)
Net Loss	$ (1,310,789)	$ (2,746,048)
Extraord. gain	6,488,019	—
Net Loss & extraord. gain	$ 5,178,130	$ (2,746,048)

Assets

As of	1/2/88	1/3/87
Cash	$ 15,518,314	$ 5,402,740
Notes receivable	55,067	2,000,000
Accts. receiv., net	1,537,280	1,177,962
Refundable taxes	9,900	545,835
*Inventories	2,636,225	11,520,767
Prepaid expenses	316,878	1,418,093
Current Assets	$ 20,073,664	$ 22,137,654
Investments	892,610	4,044,839
#Fixed assets	3,545,695	15,795,107
Other assets	8,848,027	6,397,141
Total Assets	$ 33,359,996	$ 48,374,741

Liabilities

Long-term debt, curr.	$ 15,430	$ 717,852
Notes payable	—	6,500,000
Accts. payable	2,524,602	11,438,010
Accruals	2,008,068	1,591,281
Curr. Liabilities	$ 4,548,100	$ 20,247,143
Long-term debt	59,010	1,778,149
Deferred inc. taxes	36,830	1,337,203
Deferred comp.	597,692	600,000
Deferred pension cost	23,082	1,369,906
+Common stock	2,786,224	2,786,224
Add. paid-in capital	20,349,978	20,349,978
Retained earnings (deficit)	4,959,090	(293,862)
Total Liabilities & Shareholders' Equity	$ 33,359,996	$ 48,374,741

* At cost (FIFO) by the retail method.
# Less accumulated depreciation.
+ $1 par value.

Mott's Super Markets, Inc.

Statistical Summary

Sales to Inventories	1.04	0.23
Debt to Equity	—	0.39
Working Capital	$ 15,525,564	$ 1,890,511
Current Ratio	4.41	1.09
Shareholders' Equity	$ 28,095,292	$ 22,842,340

Munford, Inc.

1860-74 Peachtree Road N.W.
Box 7701, Station C
Atlanta, Georgia 30309
(404) 352-6641

Officers: Dillard Munford, chairman of the board & chief exec. officer; Russell C. Fellows, president & chief operating officer; Joseph W. Hardin, v.p. & treasurer; Jay E. Rubel, v.p.-administration; James M. Carroll, exec. v.p. & secretary; Frederick J. Mershad, president-World Bazaar Division; John A. Popple, president-LeeWards Creative Crafts, Inc.; H. E. Lambert, v.p., corp. counsel & asst. secretary.

Directors: Dillard Munford*, chairman; Winton M. Blount, Jeff B. Davidson, H. Carey Hanlin, Herbert J. Dickson*, Russell C. Fellows*, Richard K. LeBlond, II*, Andrall E. Pearson, Robert M. Gardiner, James L. Ferguson, S. B. Rymer, Jr.*.

* Member of the Executive Committee

Business Activities: Company activities include the operation of company-owned and franchised convenience food stores under the name "Majik Market". Many of these food stores have gasoline stations operating in conjunction with them. World Bazaar import stores feature gift and home furnishing items; Leewards Craft Bazaar stores retail craft products. The Company also manufactures rattan furniture and is engaged in refrigerated warehouse and distribution activities.

Divisions and Subsidiaries:

Majik Market Division
World Bazaar Division
Building Materials Division
Leewards Division

United Refrigeration Services, Inc.
(49.9%-owned)

Transfer Agent(s):

Citizens & Southern Trust Company
Atlanta, Georgia

Stock Exchange(s): New York

Ticker Symbol: MFD

Number of Stores: (at fiscal year end)

	Majik Market	World Bazaar*
1987	705	305
1986	792	311
1985	837	310
1984	835	279
1983	916	223

	Leewards
1987	59
1986	47
1985	47
1984	—
1983	—

* Company-operated and franchised.

Sales & Earnings

	Net Sales †	Net Income
1987	$ 458,195,000	$ (3,114,000)
1986	459,501,000	1,641,000
1985	456,562,000	5,532,000
1984*	423,513,000	8,235,000
1983	395,795,000	7,510,000

	No. of Com. Shares #	Earn. per Share #
1987	3,864,331	$ —
1986	3,869,759	0.42
1985	3,956,315	1.40
1984*	4,139,617	1.98
1983	4,096,893	1.83

(Loss)
* 53 weeks.
† Of continuing operations only; includes other revenues.
# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend and stock split.

Revenues by Line of Business
(000's)

	1987	1986
Convenience Food Stores	$ 309,604	$ 328,170
Import Stores	74,870	70,003
Craft Stores	73,721	61,328
Total	$ 458,195	$ 459,501

Common Stock

	Cash Dividend #	Stock Dividend	Stock Split
1987	$ 0.54	—	—
1986	0.54	—	—
1985	0.54	—	—
1984	0.52	12 1/2%	—
1983	0.42	—	5-for-4

Adjusted to reflect stock dividend and stock split.

Common Stock Equity

	Total Equity	Equity Per Share +
1987	$ 48,972,000	$ 12.67
1986	52,788,000	13.64
1985	52,392,000	13.24
1984	53,953,000	13.93
1983	49,854,000	12.17

+ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend and stock split.

Income Account

Year ended	12/31/87	1/1/87
Net sales & other rev.	$ 458,195,000	$ 459,501,000
Cost of sales	313,189,000	310,994,000
Expenses	141,620,000	136,311,000
Depreciation & amortization	8,542,000	8,457,000
Interest expense	7,142,000	6,929,000
Interest income	(604,000)	(623,000)
Loss (gain) on dispos. of plant & equip.	(27,000)	479,000
Equity in earnings of United Refrigerated Services, Inc.	(2,363,000)	(3,347,000)
Inc. (loss) bef. taxes	$ (9,304,000)	$ 301,000
Tax credit	(5,085,000)	(1,340,000)
Cum. effect of change in accntg. meth.	(1,105,000)	—
Net Income (Loss)	$ (3,114,000)	$ 1,641,000

Assets

As of	12/31/87	1/1/87
Cash	$ 2,968,000	$ 3,481,000
Accts. receiv., net	8,973,000	8,622,000
*Inventories	82,796,000	75,116,000
Prepaid expenses	6,058,000	7,409,000
Refundable taxes	4,296,000	1,120,000
Current Assets	$ 105,091,000	$ 95,748,000
#Fixed assets	42,401,000	40,913,000
Other assets	23,429,000	17,870,000
Cap. leases	5,678,000	8,651,000
Total Assets	$ 176,599,000	$ 163,182,000

Liabilities

Notes payable	$ 20,700,000	$ 3,730,000
Long-term debt, curr.	2,575,000	2,317,000
Accts. payable	53,731,000	45,725,000
Dividends payable	528,000	516,000
Income taxes	105,000	231,000
Capital lease oblig., curr.	2,133,000	3,095,000
Curr. Liabilities	$ 79,772,000	$ 55,614,000
Long-term debt	35,265,000	38,953,000
Capital lease oblig.	6,320,000	8,702,000
Deferred inc. taxes	3,860,000	5,423,000
Other non-current liab.	2,410,000	1,702,000
+Common stock	4,308,000	4,218,000
Add. paid-in capital	25,500,000	24,198,000
Retained earnings	29,143,000	34,351,000
Treasury stock	(9,979,000)	(9,979,000)
Total Liabilities & Shareholders' Equity	$ 176,599,000	$ 163,182,000

* At lower of cost (FIFO & LIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	0.07
%Net Income to Sales	—	0.36
%Net Income to Equity	—	3.11
Debt to Equity	1.37	1.08
Working Capital	$ 25,319,000	$ 40,134,000
Current Ratio	1.32	1.72
Shareholders' Equity	$ 48,972,000	$ 52,788,000

Munsingwear, Inc.

724 North First Street
Minneapolis, Minnesota 55401
(612) 340-4700

Officers: Lawrence L. Horsch, chairman & chief exec. officer; William W. Compton, president & chief operating officer; Garnett D. Elliott, Jr., v.p. & president-Form-O-Uth, Inc.; Lowell M. Fisher, Jr., v.p.-planning & business development; Don C. Harralson, president-Princeton Hosiery Mills, Inc.; Michael Kagan, sr. v.p.-finance; Peter W. Lilienthal, asst. v.p.-administration, secretary & treasurer; Herbert S. McMullen, v.p. & president-Vassarette Division; Michael J. Shannon, v.p.-management information systems; Allen Spector, president-Shirtmate Apparel Group Ltd.; Gerald E. Magnuson, asst. secretary.

Directors: Lawrence L. Horsch, Gerald E. Magnuson, Sandra W. Meyer, Allen Spector.

Business Activities: Engaged in the production and sale of loungewear, sleepwear, underwear and sportswear for men, boys and women. The Company's Outlet Store Division operates 18 retail outlet stores throughout the U.S. which primarily sell overstocked and irregular merchandise.

Divisions:

Vassarette Division
Memphis, Tennessee
Products include lingerie, sleepwear, robes, loungewear, bras, girdles, swimsuits and Vassarette juniors.

Men's Apparel Division
Minneapolis, Minnesota
Products include underwear, sleepwear, loungewear, robes, golf shirts, sport shirts, hosiery, jackets, slacks, tenniswear and sweaters.

Outlet Store Division

Operates 18 retail outlet stores throughout the U.S. which primarily sell overstocked and irregular merchandise.

Subsidiaries:

Form-O-Uth, Inc.
McAllen, Texas
Manufactures private label women's intimate apparel as well as women's swimwear and bodywear.

Shirtmate Apparel Group Ltd.
Montreal, Canada
Designs, manufactures and distributes women's junior sportswear under the Sweet Baby Jane label and women's contemporary clothing under the Como Diffusion label.

Princeton Hosiery Mills
Princeton, Kentucky
Designs, manufactures and distributes children's hosiery, sleepwear and footwear under the Le Roi label.

Transfer Agent(s):

Continental Illinois National Bank and Trust Company of Chicago
P.O. 2900
Loop Station
Minneapolis, Minnesota 55402

Stock Exchange(s): New York

Ticker Symbol: MUN

Number of Stores:

1987	18

Sales & Earnings

	Net Sales +	Net Income ‡
1987	$ 198,427,000	$ (23,071,000)
1986	147,851,000	3,651,000
1985	114,247,000	3,020,000
1984	92,645,000	3,993,000
1983	93,094,000	2,713,000

	No. of Com. Shares †	Earn. per Share # ‡
1987	$ 4,876,258	$ —
1986	4,794,590	0.79
1985	3,854,229	0.74
1984	3,800,316	0.69
1983	5,694,594	0.47

(Loss)
+ Of continuing operations only.
‡ Including extraordinary gains of $776,000 ($0.17 per share) in 1986, $529,000 ($0.13 per share) in 1985, $3,898,000 ($0.68 per share) in 1984 and $1,042,000 ($0.18 per share) in 1983.
† Adjusted to reflect stock splits.
# Based on the weighted average number of common shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	—	—	—
1986	—	—	3-for-2
1985	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	$ 23,484,000	$ 4.82
1986	45,501,000	9.49
1985	31,435,000	8.16
1984	28,215,000	7.42
1983	28,182,000	4.95

‡ Adjusted to reflect stock splits.

Income Account *
(000's)

Year ended Dec. 31	1987	1986
Net sales	$ 198,427	$ 147,851
Cost of sales	163,208	104,455
Expenses	53,022	38,187
Royalty	(791)	(679)
Interest expense	4,693	2,269
Non-recurr. losses (gains)	96	404
Gain on sale of trademarks	—	(2,075)
Relocation of headquarters	1,383	425
Income (losses) bef. taxes	$ (23,184)	$ 4,665
Income taxes (credit)	(113)	1,790
Net income (loss)	$ (23,071)	$ 2,875
Extraord. gain	—	776
Net income (Loss) & extraord. gain	$ (23,071)	$ 3,651

* Included in Costs and Expenses, Depreciation and Amortization: $3,477,000 in 1987 and $2,022,000 in 1986.

Assets
(000's)

As of Dec. 31	1987	1986
Cash	$ 1,349	$ 3,487
Receiv., net	23,172	25,588
*Inventories	34,451	43,317
Prepaid expenses	2,119	4,082
Current Assets	$ 61,091	$ 76,474
#Fixed assets	17,341	18,644
Other assets	16,582	17,951
Total Assets	$ 95,014	$ 113,069

Liabilities
(000's)

Short-term borrowings	$ 14,130	$ 9,698
Long-term debt, curr.	2,063	2,203
Accts. payable	7,783	6,722
Accruals	7,456	7,803
Curr. Liabilities	$ 31,432	$ 26,426
Long-term debt	38,075	40,131
Deferred income	2,023	1,011
+Common stock	6,746	6,663
Add. paid-in capital	25,459	24,785
Retained earnings (deficit)	(3,296)	19,775
For curr. trans. adj.	520	35
Treasury stock	(5,945)	(5,777)
Total Liabilities & Shareholders' Equity	$ 95,014	$ 113,069

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $5 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	3.16
%Net Income to Sales	—	1.96
%Net Income to Equity	—	6.32
Sales to Inventories	5.76	3.41
Debt to Equity	2.31	1.14
Working Capital	$ 29,659,000	$ 50,048,000
Current Ratio	1.94	2.89
Shareholders' Equity	$ 23,484,000	$ 45,501,000

Nash Finch Company

3381 Gorham Avenue
St. Louis Park, Minnesota 55426
(612) 929-0371

Officers: Harold B. Finch, Jr., chairman & chief executive officer; R.N. Mammel, president & chief operating officer; J. O. Rodysill, v.p.; Gerald E. Barber, v.p.; Robert F. Nash, treasurer; Philip E. Bortscheller, assistant treasurer; Dennis C. Fairchild, controller; Norman R. Soland, secretary; Walter G. Hreno, asst. secretary.

Directors: Harold B. Finch, Jr.*, chairman; Alan W. Clark, Ann M. Crowley, R. N. Mammel*, Donald R. Miller, Robert F. Nash*, J. O. Rodysill*, Arthur C. Wangaard, Jr.*, Richard A. Fisher, Richard G. Lareau.

* Member of the Executive Committee

Business Activities: Owns and operates 91 supermarkets, warehouse stores, and Family Thrift Centers. Its 17 food distribution centers supply 600 affiliated supermarkets and over 5,000 independent retailers and institutions. The firm also owns a produce marketing subsidiary in California, which sells fresh fruits and vegetables to large wholesalers and chain retailers.

Divisions and Subsidiaries:

Piggly Wiggly
Corporate and affiliated supermarkets in North and South Dakota, Minnesota and Montana.

Jack & Jill
Corporate and affiliated supermarkets in Minnesota, North and South Dakota, Iowa, Illinois, Nebraska, Kansas, Texas, Montana, Colorado, Oklahoma, Wyoming, and Wisconsin.

Me Too

Sun Mart

Clifton's
Corporate supermarkets in Iowa.

Family Thrift Center
General merchandise/food stores in Nebraska, South Dakota and North Dakota.

Food Pride
Affiliated independent supermarkets in North Carolina.

Warehouse Market
Warehouse stores in Minnesota, South Dakota, North Dakota, Iowa, Nebraska, Kansas, Texas and Illinois.

Food Bonanza

Prairie Market

The Nash DeCamp Company
Produce marketing subsidiary in California and Arizona.

The S. C. Shannon Company
Food distribution center serving independent food retailers in Wisconsin.

Valley Cash & Carry, Inc.

Econofoods
Warehouse stores in Iowa and Nebraska.

M. H. McLean Wholesale Grocery Co., Inc.
Food distribution center serving independent food retailers in North and South Carolina.

Thomas & Howard Company of Hickory, Inc.
These three companies operate four grocery and health and beauty aids warehouses in the Southeast.

Thomas & Howard Company of Rocky Mount, Inc.

Virginia Foods of Bluefield, Inc.

Transfer Agent(s):

Norwest Bank Minnesota, N.A.
Stock Transfer Dept.
161 North Concord Exchange
P.O. Box 738
South St. Paul, Minnesota 55075-0738

Stock Exchange(s): Over-the-Counter

Ticker Symbol: NAFC (NASDAQ)

Number of Stores: (at fiscal year end)

1987	91	1984	92
1986	93	1983	99
1985	91		

Sales & Earnings

	Net Sales +	Net Income
1987	$ 1,919,461,458	$ 18,502,281
1986*	1,577,356,682	13,833,792
1985	1,327,399,780	12,005,731
1984	1,238,318,783	11,686,234
1983	1,142,988,050	11,066,814

	No. of Com. Shares #	Earn. per Share #
1987	10,575,659	$ 1.75
1986*	10,244,196	1.35
1985	10,195,584	1.18
1984	10,178,000	1.15
1983	10,154,000	1.09

* 53 weeks.
\+ Includes operating revenues and other income.
\# Based on the average number of shares outstanding adjusted to reflect stock split.

Revenues by Line of Business (000's)

	1987	1986
Wholesale	$ 1,290,909	$ 962,957
Retail	621,341	586,683
Product marketing	26,508	24,077
Total	$ 1,938,758	$ 1,573,717

Common Stock

	Cash Dividend †	Stock Dividend	Stock Split
1987	0.57	—	2-for-1
1986	0.52	—	—
1985	0.50	—	—
1984	0.49	—	—
1983	0.47	—	—

† Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share #
1987	$ 140,850,000	$ 12.97
1986	116,416,000	11.34
1985	107,384,000	10.51
1984	100,094,000	9.84
1983	93,404,000	9.17

\# Based on the average number of shares outstanding adjusted to reflect stock split.

Income Account

Year ended	1/2/88	1/3/87
Net sales	$ 1,919,461,458	$ 1,357,033,263
Other income	23,886,476	20,323,419
Total income	$ 1,943,347,934	$ 1,377,356,682
Cost of sales	1,682,666,419	1,360,536,628
Expenses	198,552,992	165,713,341
Depreciation & amortization	18,389,278	16,248,760
Prof. sh. plan.	2,733,451	2,348,472
Interest expense	8,087,143	6,497,213
Income before taxes	$ 32,918,651	$ 26,012,268
Income taxes	14,416,370	12,178,476
Net income	$ 18,502,281	$ 13,833,792

Assets

As of	1/2/88	1/3/87
Cash	$ 344,835	$ 382,406
Accts. reciev., net	52,337,429	43,923,322
*Inventories	151,491,813	134,492,758
Prepaid expenses	4,931,147	3,877,616
Current Assets	$ 209,305,224	$ 182,676,102
Investments	23,683,409	20,383,179
#Fixed assets	114,958,422	106,152,978
Oblig. under cap. leases	2,891,122	3,242,386
Defer. charge	1,084,591	1,039,573
Intangibles	354,446	414,016
Total Assets	$ 352,187,214	$ 313,908,004

Liabilities

Outstanding checks	$ 9,716,446	$ 2,606,182
Short-term debt	7,000,000	23,500,000
Long-term debt & cap. lease oblig.	4,229,310	5,085,478
Accts. payable	91,272,836	76,566,271
Accruals	11,740,695	11,500,363
Income taxes	4,082,115	1,428,502
Curr. Liabilities	$ 127,608,174	$ 120,686,696
Long-term debt	61,780,758	55,942,958
Cap. lease oblig.	5,227,053	5,645,065
Deferred compensation	9,455,981	9,341,062
Deferred income taxes	6,058,469	4,819,047
Other liab.	1,226,111	1,057,596
+Common stock	18,706,339	17,795,924
Add. paid-in capital	11,541,292	626,756
Retained earnings	112,531,922	103,070,463
Treasury stock	(1,929,085)	(2,077,563)
Total Liabilities & Shareholders' equity	$ 352,187,214	$ 313,908,004

* At lower of cost (LIFO or FIFO) or market.
\# Less accumulated depreciation.
\+ $1.66 2/3 par value.

Statistical Summary

%Income bef. Taxes to Sales	1.71	1.67
%Net Income to Sales	0.96	0.89
%Net Income to Equity	13.14	11.88
Sales to Inventories	12.67	11.38
Debt to Equity	0.56	0.77
Working Capital	$ 81,697,050	$ 61,989,406
Current Ratio	1.64	1.51
Shareholders' Equity	$ 140,850,468	$ 116,415,580

National Convenience Stores Incorporated

100 Waugh Drive
Houston, Texas 77007
(713) 863-2200

Officers: V. H. Van Horn, president & chief exec. officer; A. J. Galleazzo, v.p., general counsel & secretary; J. C. Brewster, sr. v.p.-finance & chief financial officer; Patricia A. Rayton, v.p.-internal audit; R. P. Springer, v.p. & controller; R. C. Worthain, v.p.-real estate; William K. Elwood, v.p.-systems; Charles T. Spear, v.p.-stores; Jerry M. Comstock, Jr., regional v.p.; Michael C. Kearney, v.p. & treasurer; Craig R. Calien, v.p.-marketing.

Directors: William Kay Wilde, Raymond W. Osland, Jr., Dunbar N. Chambers, Jr., Richard C. Steadman, Robert B. Stobaugh, V. H. Van Horn.

Business Activities: Operates a chain of 930 self-service convenience food stores in six states with the majority of the stores located in Texas. Most stores are company-owned and operated under the name Stop N Go, and sell staple foods, groceries, beverages, snack foods, and other food items.

Divisions:

Western Division
1385 Knollwood Circle, Unit B
Anaheim, California 92801
(714) 527-8810

Gulf Coast Division
100 Waugh Drive
Houston, Texas 77007
(713) 863-2203

Midwestern Division
2521 Brown Boulevard
Arlington, Texas 76006
(817) 649-8785

Hex Division
100 Waugh Drive
Houston, Texas 77007
(713) 863-2200

Transfer Agent(s):

Centerre Trust Company of St. Louis
St. Louis, Missouri

Stock Exchange(s): New York

Ticker Symbol: NCS

Number of Stores: (at fiscal year end)

1987	930	1984	1,081
1986	958	1983	1,012
1985	1,130		

Sales & Earnings

	Net Sales	Net Income
1987	$ 828,000,000	$ (5,445,000)
1986	869,874,000	3,582,000
1985	927,507,000	15,909,000
1984	818,988,000	14,430,000
1983	632,310,000	14,226,000

	No. of Com. Share #	Earn. per Share #
1987	22,637,000	$ —
1986	23,219,000	0.15
1985	20,440,000	0.76
1984	19,750,000	0.93
1983	19,063,000	0.75

(Loss)
\# Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1987	$ 0.36	—	—
1986	0.36	—	—
1985	0.36	—	5-for-4
1984	0.32	—	3-for-2
1983	0.29	—	5-for-4

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity ‡	Equity Per Share #
1987	$ 73,510,000	$ 3.25
1986	89,508,000	3.85
1985	96,114,000	4.70
1984	87,336,000	4.42
1983	74,289,000	3.90

‡ After allowing for preferred stock at stated value.
# Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Income Account *
(000's)

Year ended June 30	1987	1986
Net sales	$ 828,044	$ 949,874
Cost of sales	604,602	705,191
Oper. exp.	170,273	176,871
Expenses	36,904	44,061
Interest expense	25,513	23,646
Gain on corp. restructuring	—	(4,047)
Loss on sale of assets	650	—
Income (loss) before taxes	$ (9,898)	$ 4,152
Income taxes (credit)	(4,453)	570
Net Income (Loss)	$ (5,445)	$ 3,582

*Included in Costs and Expenses, Depreciation and Amortization: $30,528,000 in 1987 and $30,539,000 in 1986.

Assets
(000's)

As of June 30	1987	1986
Cash	$ 7,567	$ 1,987
Accts. & notes receiv., net	4,258	4,409
Refundable inc. taxes	11,748	2,082
*Inventories	44,789	42,505
Prepaid expenses	4,905	3,464
Current Assets	$ 73,267	$ 54,447
#Fixed assets	347,974	333,201
Other assets & defer. charges	26,368	23,172
Total Assets	$ 447,609	$ 410,820

Liabilities
(000's)

Cap. lease oblig. & long term debt, curr.	$ 7,171	$ 7,017
Accts. payable & accrued expenses	58,151	47,154
Dividends payable	2,016	2,065
Curr. Liabilities	$ 67,338	$ 56,236
Long-term debt	204,930	163,328
Cap. lease oblig.	19,331	26,510
Deferred inc. taxes	32,494	25,237
9% Convertible debentures	50,000	50,000
Preferred stock	1	1
+Common stock	9,963	9,911
Add. paid-in capital	87,829	87,533
Retained earnings	24,371	37,999
Treasury stock	(11,455)	(3,654)
Deferred comp.	(37,198)	(40,281)
Total Liabilities & Shareholders' Equity	$ 447,609	$ 410,820

* At lower of cost (FIFO) or market; gasoline inventories at average cost.
# Less accumulated depreciation and amortization.
+ $0.412/3 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	0.44
%Net Income to Sales	—	0.38
%Net Income to Equity	—	4.00
Sales to Inventories	18.49	22.35
Debt to Equity	3.15	2.20
Working Capital	$ 5,929,000	—
Current Ratio	1.09	—
Shareholders' Equity	$ 73,511,000	$ 89,509,000

National Hardgoods Distributors, Inc.

365 Washington Street
Stoughton, Massachusetts 02072
(508) 341-1810

Officers: Sheldon M. Woolf, president; Arthur M. Kagan, v.p. & treasurer; Jerry L. Goad, exec. v.p.; Douglas M. Cohen, v.p.-finance; Joseph Quaresima, v.p. & gen. mdse. mgr.; John P. Ahearn, v.p.-management information systems; Milton Bordwin, clerk.

Directors: Sheldon M. Woolf, Martin E. Feldman, Melvin Weinstein, Howard Rubin, Arthur M. Kagan.

Business Activities: Operates a chain of freestanding hardware stores in Massachusetts, Rhode Island, New Hampshire, and Connecticut as well as one leased department in a self-service discount department store. Hardgood merchandise includes automotive accessories, home furnishings, paint, housewares, and garden and patio goods.

Transfer Agent(s):

Continental Stock Transfer Corporation
New York, New York

Stock Exchange(s): Over-the-Counter

Ticker Symbol: NHRD (NASDAQ)

Number of Stores: (at fiscal year end)

1988	31	1985	19
1987	26	1984	18
1986	20		

Sales & Earnings

	Net Sales	Net Income #
1988	$ 45,751,948	$ 844,016
1987	36,360,793	956,144
1986	33,500,995	488,679
1985	32,402,526	742,723
1984	26,508,753	591,765

	No. of Com. Shares ‡	Earn. per Share ‡ #
1988	1,302,626	$ 0.63
1987	1,355,026	0.70
1986	1,355,135	0.36
1985	1,355,135	0.55
1984	1,355,135	0.47

‡ Based on the weighted average number of shares outstanding adjusted to reflect stock dividends.
# Including extraordinary gain of $152,370 ($0.11 per share) in 1984.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	$ —	—	—
1987	—	10%	—
1986	—	—	—
1985	—	50%	—
1984	—	25%	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	$ 8,233,978	$ 6.32
1987	7,670,812	5.66
1986	6,715,596	4.96
1985	6,226,917	4.60
1984	5,484,467	4.05

‡ Adjusted to reflect stock dividends.

Income Account

Year ended	1/30/88	1/31/87
Net sales	$ 45,751,948	$ 36,360,793
Cost of sales & store oper. exp.	40,713,853	32,128,019
Expenses	2,115,570	1,745,566
Depreciation & amortization	986,717	784,711
Interest expense	406,855	220,412
Gain on sale	—	(337,392)
Income before taxes	$ 1,528,953	$ 1,839,477
Income taxes	684,937	883,333
Net Income	$ 844,016	$ 956,144

Assets

As of	1/30/88	1/31/87
Cash	$ 559,327	$ 490,770
Marketable securities	83,279	79,461
Accts. receiv., net	268,383	241,885
*Inventories	13,333,537	10,352,847
Prepaid expenses	484,805	361,910
Curr. Assets	$ 14,729,331	$ 11,526,873
#Fixed assets	3,386,100	3,186,529
Other assets	774,116	690,415
Total Assets	$ 18,889,547	$ 15,403,817

Liabilities

Long-term debt, curr.	$ 280,355	$ 293,524
Notes payable	500,000	—
Accts. payable	4,747,139	2,831,395
Accruals	783,404	1,030,206
Income taxes	169,276	472,454
Curr. Liabilities	$ 6,480,174	$ 4,627,662

Long-term debt	3,731,306	2,761,662
Deferred income taxes	49,089	48,764
Deferred gain	265,500	295,000
Deferred income	129,500	—
+ Common stock	135,503	135,503
Add. paid-in capital	2,325,806	2,325,806
Retained earnings	6,053,519	5,309,503
Total Liabilities & Shareholders' Equity	$ 18,889,547	$ 15,403,817

* At lower of cost (FIFO) or market using the retail method.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	3.34	5.06
%Net Income to Sales	1.84	2.63
%Net Income to Equity	10.25	12.46
Sales to Inventories	3.43	3.51
Debt to Equity	0.55	0.40
Working Capital	$ 8,249,157	$ 6,899,294
Current Ratio	2.27	2.49
Shareholders' Equity	$ 8,233,978	$ 7,670,812

National Lumber & Supply, Inc.

17102 Newhope Street
Fountain Valley, California 92708
(714) 751-3970

Officers: Sol Jaffee, chairman of the board; Melvin Jaffee, president & chief executive officer; Jordan G. Silverberg, executive v.p.; Richard C. Sturt, v.p.-administration & secretary; Craig R. Schumacher, v.p.-operations; V.J. Carnevale, v.p., chief financial officer & treasurer.

Directors: Sol Jaffee, chairman of the board; Melvin Jaffee, Jordan G. Silverberg, Lawrence R. Gordon, Victor Carter, Haim Ben-Shahar, Marvin A. Weiss.

Business Activities: Operates 20 discount home centers in southern California. These centers sell a wide range of lumber and building materials, hardware, gardening and home improvement and repair products to the do-it-yourself market.

Subsidiaries:

Lauren-Bilt Construction, Inc.
Jaffee Wholesale, Inc.

Transfer Agent(s):

Bank of America
San Francisco, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: NTLB (NASDAQ)

Number of Stores: (at fiscal year end)

1988	19	1985	15
1987	18	1984	12
1986	19		

Sales & Earnings

	Revenues	Net Income
1987	$ 159,281,866	$ 228,758
1986	151,286,000	(2,421,000)
1985	136,424,000	(154,000)
1984	127,880,000	1,335,000
1983	114,308,000	2,208,000

	No. of Com. Shares ‡	Earn. per Share ‡
1987	5,633,585	$ 0.04
1986	5,633,809	—
1985	5,631,789	—
1984	5,631,559	0.24
1983	4,701,649	0.47

(Loss)
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	$ 20,702,000	$ 3.67
1986	20,463,000	3.63
1985	22,879,000	4.06
1984	23,237,000	4.13
1983	21,899,000	2.03

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended Jan. 31	1988	1987
Net sales	$ 158,776,352	$ 150,027,699
Gain on sale of land	—	834,483
Other income	512,514	424,113
Total income	$ 159,288,866	$ 151,286,295
Cost of sales	111,248,806	107,113,200
Expenses	47,900,088	47,278,558
Cost of store closure	—	889,962
Interest expense	195,214	539,817
Loss before taxes	$ (55,242)	$ (4,535,242)
Tax credit	(34,000)	(2,114,000)
Cum. effect of change in accting. meth.	(250,000	—
Net Income (Loss)	$ 288,758	$ (2,421,242)

* Included in Costs and Expenses, Depreciation and Amortization: $1,781,476 in 1987 and $1,771,789 in 1986.

Assets

As of Jan. 31	1988	1987
Cash	$ 1,330,018	$ 801,422
Accts. receiv., net	1,886,236	1,694,532
Refundable taxes	563,973	1,859,276
*Inventories	32,042,460	26,358,430
Due from related party	21,731	34,021
Prepaid expenses	1,537,073	2,003,277
Current Assets	$ 37,381,491	$ 32,750,958
Note receivable	2,000,000	2,000,000
#Fixed assets	11,125,172	10,471,315
Other assets	581,107	378,409
Total Assets	$ 51,087,770	$ 45,600,682

Liabilities

Notes payable	$ 3,088,423	—
Long-term debt, curr.	41,766	71,961
Accts. payable	17,422,603	15,691,789
Other accruals	5,543,363	4,780,723
Accrued insurance premiums	1,140,826	1,353,308
Curr. Liabilities	$ 27,236,981	$ 21,897,781
Long-term debt	1,233,333	1,306,892
Deferred income	512,695	541,178
Deferred inc. taxes	1,402,769	1,391,769
+Common stock	10,796,227	10,786,055
Retained earnings	9,905,765	9,677,007
Total Liabilities & Shareholders' Equity	$ 51,087,770	$ 45,600,682

* At lower of average cost (LIFO) or net realizable value.
# Less accumulated depreciation and amortization.
+ No par values.

Statistical Summary

%Net Income to Sales	0.14	—
%Net Income to Equity	1.11	—
Sales to Inventories	4.96	5.69
Debt to Equity	0.21	0.07
Working Capital	$ 10,144,510	$ 10,853,177
Current Ratio	1.37	1.50
Shareholders' Equity	$ 20,701,992	$ 20,463,062

NBI, Inc.

P.O. Box 9001
3450 Mitchell Lane
Boulder, Colorado 80301
(303) 444-5710

Officers: Thomas S. Kavanagh, president; Jesse A. Simmons, v.p., treasurer & secretary; David Klein, exec. v.p.; Charles L. Dumas, v.p.; Robert K. Reid, v.p.; Richard LaBarbera, v.p.; Donald K. Oliverio, v.p.; Ernest T. Pope, v.p.; Douglas G. Swartz, v.p.; Bernard A. Cohen, v.p. & president-NBI's The Office Place.

Directors: Thomas S. Kavanagh, Howard W. Selby, III, Richard Hodgson, Robert M. Collins, Richard W. Hanselman.

Business Activities: Operates 35 NBI The Office Place, which engage in the retail sale of office supplies, machines and furniture in Alaska, California, Colorado, Hawaii, and Washington. Also designs, manufactures and markets software-based office automation systems used in information and word processing and for communications within the office.

Divisions and Subsidiaries:

NBI Office Products Division
NBI Computer Systems Division

Commercial Office Products Co.
Aurora, Colorado

Integrated Solutions, Inc.
2240 Lundy Avenue
San Jose, California 95131
Designs, manufactures and markets high-performance computers for engineering, scientific and other technical professionals.

Commercial Office Products Company
13800 East 39th Avenue
Aurora, Colorado 80011

Yukon Office Supply, Inc.
300 S.W. 41st Street
Renton, Washington 98055

Peninsula Office Supply, Inc.
1089 Mills Way
P.O. Box 8010
Redwood City, California 94063

NBI Canada Inc.
Foreign sales subsidiaries.
NBI Ltd. (United Kingdom)
NBI GmbH (West Germany)
NBI SA (France)
NBI Systems, Inc. (Hong Kong)

Kershaw's, Inc.
Spokane, Washington
Office products distribution and retail sale in the Spokane, Washington area.

Transfer Agent(s):

The First National Bank of Boston
P.O. Box 1865
Boston, Massachusetts 02105

Stock Exchange(s): New York, Pacific

Ticker Symbol: NBI

Number of Stores: (at fiscal year end)

1987 ..... 35 1986 35

Sales & Earnings

	Net Sales	Net Income †
1987	$ 219,620,000	$ (5,405,000)
1986	228,534,000	(3,868,000)
1985	174,798,000	13,215,000
1984	141,764,000	13,776,000
1983	96,780,000	4,590,000

	No. of Com. Shares #	Earn. per Share # †
1987	9,272,000	$ —
1986	9,679,000	—
1985	9,367,000	1.41
1984	9,869,000	1.40
1983	10,171,000	0.45

(Loss)
† Including extraordinary gains of $509,000 in 1987 and $330,000 in 1986.
# Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1987	$ 86,903,000 ‡	$ 9.72
1986	100,371,000 ‡	10.32
1985	101,442,000 ‡	10.65
1984	82,219,000	9.02
1983	86,432,000	8.65

‡ After allowing for preferred stock at liquidation value.

Income Account *
(000's)

Year ended June 30	1987	1986
Net sales	$ 219,620	$ 228,534
Rental & serv.	58,635	53,820
Total income	$ 278,255	$ 282,354
Cost of sales	158,292	162,206
Expenses	124,858	122,888
Inc. from invest.	(2,409)	(2,437)
Interest expense	7,370	7,329
Loss bf. taxes	$ (9,856)	$ (7,632)
Tax credit	(3,942)	(3,434)
Net Loss	$ (5,914)	$ (4,198)
Extraord. gain	509	330
Net Loss & extraord. gain	$ (5,405)	$ (3,868)

* Included in Costs and Expenses, Depreciation: $18,752,000 in 1987 and $16,473,000 in 1986.

Assets
(000's)

As of June 30	1987	1986
Cash & cash equiv.	$ 27,028	$ 34,147
Receivables	50,386	57,681
Marketable securities	6,346	1,316
*Inventories	41,680	42,800
Other curr. assets	2,940	2,691
Current Assets	$ 128,380	$ 138,633
Installment receiv.	5,288	6,328
#Rental equip.	2,437	2,978
‡ Field spare parts	6,979	10,529
#Fixed assets	50,701	54,970
Deferred comm.	15,528	11,987
Total Assets	$ 209,313	$ 225,425

Liabilities
(000's)

Notes payable	$ 16,485	$ 17,937
Accts. payable	16,284	16,071
Accruals	23,018	19,064
Deferred inc. taxes	542	1,924
Curr. Liabilities	$ 56,329	$ 54,996
Long-term debt	53,633	57,674
Deferred inc. taxes	8,174	6,451
+Preferred inc. taxes	43	59
++Common stock	974	1,043
Add. paid-in capital	57,664	73,622
Retained earnings	40,732	46,426
Curr. trans. adj.	(143)	(187)
Treasury stock	(8,093)	(14,659)
Total Liabilities & Shareholders' Equity	$ 209,313	$ 225,425

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
‡ Less accumulated amortization.
+ $1 par value; Series A, 9% cumulative convertible.
++ $0.10 par value.

Statistical Summary

Sales to Inventories	5.27	5.34
Debt to Equity	0.77	0.54
Working Capital	$ 72,051,000	$ 83,637,000
Current Ratio	2.28	2.52
Shareholders' Equity	$ 91,177,000	$ 106,304,000

New Process Company

220 Hickory Street
Warren, Pennsylvania 16366
(814) 723-3600

Officers: Murray K. McComas, president; Alan J. Blair, exec. vice president; Robert W. Blair, vice president and secretary; Giles W. Schutte, vice president & treasurer; Steven M. Blair, v.p.-order handling; Robert D. Crowley, v.p.-men's merchandise; John H. Carter, v.p.-merch. handling; John A. Lasher, v.p.-advertising; John E. Zawacki, v.p.-women's merchandise; C. Wayne Kipple, v.p.-home furnishings; Michael J. Samargya, v.p.-data processing; Blair T. Smoulder, v.p.-planning; Richard E. Zimmerman, v.p.-personnel; George A. Stark, asst. v.p.-mailing; Carl H. Nelson, asst. v.p.-merchandise handling; Robert L. Benson, asst. v.p.-men's merchandise; Lois S. Bartholomew, asst. v.p.-women's merchandise; Timothy J. Baker, asst. v.p.-planning; Stephen P. Wiedmaier, asst. v.p.-order handling; Thomas A. Stilwell, asst. v.p.-data processing; Rodney T. Henry, asst. v.p.-personnel; Thomas P. McKeever, asst. v.p.-employee & public relations; Brian D. Waterfield, asst. v.p.-home furnishings; Kent R. Sivillo, asst. treasurer; David A. Blair, asst. secretary.

Directors: John L. Blair, Alan J. Blair, Robert W. Blair, Giles W. Schutte, Michael J. Samargya, John H. Carter, Murray K. McComas, Steven M. Blair, Blair T. Smoulder, David A. Blair.

Business Activities: Mail order house. Sells men's and women's apparel, plus a broad range of home furnishings, primarily by mail. Its facilities are located in the Warren, Pennsylvania area where all functions of advertising preparation, mailing, order handling and shipping are performed.

Transfer Agent(s):

Morgan Shareholder Service Trust Company
30 West Broadway
New York, New York 10007

Stock Exchange(s): American

Ticker Symbol: NOZ

Sales & Earnings

	Net Sales	Net Income
1987	$ 362,576,600	$ 22,646,284
1986	359,609,041	17,694,945
1985	329,727,489	15,169,534
1984	299,142,618	18,699,697
1983	268,286,313	16,236,095

	No. of Com. Shares	Earn. per Share
1987	9,354,828	$ 2.42
1986	9,359,778	1.89
1985	9,414,178	2.03
1984	9,483,578	1.97
1983	9,486,978	1.71

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	$ 1.44	—	—
1986	1.18	—	—
1985	1.25	—	—
1984	1.20	—	—
1983	1.03	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1987	$ 90,471,092	$ 9.67
1986	81,246,352	8.68
1985	75,962,268	8.07
1984	69,976,583	7.38
1983	62,723,443	6.61

Income Account *

Year ended Dec. 31	1987	1986
Net sales	$ 362,576,600	$ 359,609,041
Other income	13,927,835	13,798,009
Total income	$ 376,504,435	$ 373,407,050
Cost of sales	173,405,793	170,683,112
Expenses	149,489,863	150,971,058
Prov. for doubtful accts.	13,198,495	16,012,935
Income before taxes	$ 40,410,284	$ 35,739,945
Income taxes	17,764,000	18,045,000
Net Income	$ 22,646,284	$ 17,694,945

* Included in Costs and Expenses, Depreciation: $2,051,906 in 1987 and $1,694,368 in 1986.

Assets

As of Dec. 31	1987	1986
Cash & short-term invest.	$ 17,739,001	$ 12,101,222
Accts. receiv., net	71,069,888	66,291,571
*Inventories	36,557,347	42,244,959
Prepaid expenses	401,163	261,436
Current Assets	$ 125,767,399	$ 120,899,188
#Fixed assets	16,302,460	12,689,132
Total Assets	$ 142,069,859	$ 133,588,320

Liabilities

Accts. payable	$ 19,524,809	$ 22,339,543
Advance payment	1,397,788	890,414
Accruals	5,793,664	5,196,762
Dividends payable	9,962,892	7,534,621
Income taxes	4,479,614	2,608,628
Deferred income taxes	10,440,000	13,772,000
Curr. Liabilities	$ 51,598,767	$ 52,341,968

+Common stock	419,810	419,810
Add. paid-in capital	2,682,479	2,339,584
Retained earnings	96,424,787	87,251,983
Treasury stock	(9,055,984)	(8,772,025)
Total Liabilities & Shareholders' Equity	$ 142,069,859	$ 133,588,320

* At lower of cost (LIFO) or market.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	11.42	9.94
%Net Income to Sales	6.25	4.92
%Net Income to Equity	25.03	21.78
Sales to Inventories	9.92	8.51
Working Capital	$ 74,168,632	$ 68,557,220
Current Ratio	2.44	2.31
Shareholders' Equity	$ 90,471,092	$ 81,246,352

S. E. Nichols Inc.

275 Seventh Avenue
New York, New York 10001
(212) 206-9400

Officers: Manfred Brecker, chairman & chief exec. officer; Kenneth A. Davis, president & chief operating officer; Erich Metzger, exec. v.p.-merchandising & secretary; Edward Dennenberg, sr. v.p.-merchandising; Marcie Davis, v.p.-human resources; Lee Lobelson, v.p.-administration; H. Joseph Klein, v.p.-security and loss prevention; Joseph Keller, Jr., v.p.-store operations; Patrick E. Starkey, sr. v.p.-finance and chief financial officer; Philip J. Frank, v.p.-advertising; Michael Stock, v.p.-information services; Warren Wolfersberger, pres.-Schreiber Division.

Directors: Manfred Brecker, chairman; Erich Metzger, Kenneth Davis, Melvin Katz, Stanley Roth, Jr.,, Howard L. Blum, Jr., John H. Vogel.

Business Activities: Operates a chain of self-service discount department stores under the name 'Nichols' and 'Nichols Discount City' in New York, Pennsylvania, New Jersey, Maryland, Virginia, South Carolina, Delaware, West Virginia, North Carolina and Ohio. Operates automotive service centers, licensed pharmacies, and do-it-yourself home improvement centers in most stores.

Division:

F. R. Schreiber Company
Lititz, Pennsylvania
Distributes hardware, health and beauty aids, housewares, and other related products.

Transfer Agent(s):

First Jersey National Bank
Exchange Place
Jersey City, New Jersey 07302

Stock Exchange(s): American

Ticker Symbol: NCL

Number of Stores: (at fiscal year end)

1987	43	1984	42
1986	45	1983	42
1985	44		

Sales & Earnings

	Revenues	Net Income
1987	$ 318,614,932	$ 2,317,020
1986	309,969,332	4,420,863
1985	294,110,338	4,270,034
1984	277,303,147	6,893,713
1983	256,866,863	2,520,806

	No. of Com. Shares †	Earn. per Share †
1987	4,665,381	$ 0.05
1986	4,657,301	0.95
1985	4,647,661	1.35
1984	4,294,595	1.58
1983	3,848,871	0.65

† Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1987	$ 52,208,702	$ 11.19
1986	49,891,682	10.69
1985	45,406,565	9.77
1984	39,127,906	8.42
1983	25,123,264	6.53

Income Account *

Year ended Jan. 31	1987	1986
Net sales	$ 280,803,305	$ 277,566,505
Other income	37,811,627	32,402,827
Total income	$ 318,614,932	$ 309,969,332
Cost of sales	214,600,266	212,997,984
Expenses	92,499,795	85,610,364
Interest expense	6,799,851	5,017,121
Closed store loss	475,000	—
Income before taxes	$ 4,240,020	$ 6,343,863
Income taxes	1,923,000	1,923,000
Net Income	$ 2,317,020	$ 4,420,863

* Included in Costs and Expenses, Depreciation: $3,931,192 in 1987 and $3,310,772 in 1986.

Assets

As of Jan. 31	1987	1986
Cash	$ 6,428,051	$ 6,078,657
Receiv., net	8,778,423	6,777,083
*Inventories	74,146,456	71,720,029
Inc. taxes receiv.	1,518,666	3,068,632
Prepaid expenses	4,040,882	2,538,285
Current Assets	$ 94,912,478	$ 90,182,686
#Fixed assets	41,672,291	31,612,247
Other assets	1,431,733	1,493,851
Total Assets	$ 138,016,502	$ 123,288,784

Liabilities

Long-term debt, curr.	$ 875,302	$ 582,265
Cap. lease oblig., curr.	706,134	678,491
Accts. payable	25,393,450	18,125,077
Accruals	5,211,676	5,582,838
Income taxes	311,707	636,000
Deferred tax liability	79,000	534,000
Reserve for loss	475,000	—
Curr. Liabilities	$ 33,052,269	$ 26,138,671
Long-term debt	49,606,355	45,256,255
Deferred tax liability	3,149,176	2,002,176
+Common stock	466,538	466,538
Add. paid-in capital	15,704,836	15,704,836
Retained earnings	36,037,328	33,720,308
Total Liabilities & Shareholders' Equity	$ 138,016,502	$ 123,288,784

* At lower of cost or market, by the retail method.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	1.51	2.29
%Net Income to Sales	0.83	1.59
%Net Income to Equity	4.44	8.86
Sales to Inventories	3.79	3.87
Debt to Equity	0.98	0.93
Working Capital	$ 61,860,209	$ 64,044,015
Current Ratio	2.87	3.45
Shareholders' Equity	$ 52,208,702	$ 49,891,682

Nordstrom, Inc.

1501 Fifth Avenue
Seattle, Washington 98101
(206) 628-2111

Officers: Bruce A. Nordstrom, co-chairman of the board; John N. Nordstrom, co-chairman of the board; James F. Nordstrom, president; John A. McMillan, exec. v.p.; Robert E. Bender, sr. v.p.; Barden Erickson, v.p.; Jack Irving, v.p.; Elizabeth Sanders, v.p.; Raymond A. Johnson, v.p.; Bob Nunn, v.p.; Cindy Demme, v.p.; R. Gary Baughn, v.p.; Dale Crichton, v.p.; Darrel Hume, v.p.; Gail Cottle, v.p.; Suzanne Patnesude, v.p.; Malinda Walderhaug, v.p.; Paul Hunter, v.p.; Galen Jefferson, v.p.; Karen E. Purpur, secretary; John A. Goesling, sr. v.p. & treasurer.

Directors: Bruce A. Nordstrom*, John N. Nordstrom*, John A. McMillan*, James F. Nordstrom*, Robert E. Bender, D. Wayne Gittinger, John F. Harrigan, Malcolm T. Stamper, Elizabeth Crownhart Vaughan, Charles A. Lynch, William D. Ruckelshaus, Alfred E. Osborne, Jr..

* Member of the Executive Committee

Business Activities: Operates a chain of retail specialty stores and clearance stores in Washington, Oregon, Alaska, California, Utah and Montana, and leased shoe departments are operated in Hawaii.

Subsidiaries:

Nordstrom Credit Inc.
Nordstrom Hawaii, Inc.
Nordstrom Realty, Inc.

Transfer Agent(s):

First Interstate Bank of California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: NOBE (NASDAQ)

Number of Stores (at fiscal year end)

	Specialty Store	Shoe Store
1988	46	—
1987	45	1
1986	44	1
1985	39	1
1984	35	1

	Clearance Store	Leased Shoe Depts.
1988	10	11
1987	8	11
1986	7	11
1985	4	10
1984	3	10

Sales & Earnings

	Net Sales	Net Income
1988	$ 1,920,231,000	$ 92,733,000
1987	1,629,918,000	72,939,000
1986	1,031,857,000	50,079,000
1985	958,678,000	40,711,000
1984	768,677,000	40,239,000

	No. of Com. Shares ‡	Earn. per Share ‡
1988	81,759,138	$ 1.13
1987	81,612,098	0.91
1986	80,713,956	0.65
1985	74,747,572	0.54
1984	74,734,872	0.54

‡ Based on the weighted average number of shares outstanding adjusted to reflect stock dividend and stock splits.

Common Stock

	Cash Dividend†	Stock Dividend	Stock Split
1988	$ 0.18	—	2-for-1
1987	0.13	—	2-for-1
1986	0.11	—	—
1985	0.10	—	—
1984	0.07	100%	—

Common Stock Equity

	Total Equity	Equity Per Share †
1988	$ 533,209,000	$ 6.55
1987	451,196,000	5.57
1986	314,119,000	4.22
1985	271,709,000	3.65
1984	237,734,000	3.21

† Adjusted to reflect stock dividend and stock splits.

Income Account* (000's)

Year ended Jan. 31	1988	1987
Net sales	$ 1,920,231	$ 1,629,918
Cost of sales	1,300,883	1,095,584
Expenses	477,488	408,664
Interest expense	32,952	34,910
Service charge inc.	(53,825)	(49,479)
Income before taxes	$ 162,733	$ 140,239
Income taxes	70,000	67,300
Net Income	$ 92,733	$ 72,939

* Included in Costs and Expenses, Depreciation and Amortization: $50,090,000 in 1988 and $46,835,000 in 1987.

Assets (000's)

As of Jan. 31	1988	1987
Cash	$ 4,049	$ 13,608
Short-term invest.	900	14,679
Accts. receiv., net	404,615	352,662
*Inventories	312,696	257,334
Prepaid expenses & other assets	7,922	7,043
Current Assets	$ 730,182	$ 645,326
#Fixed assets	502,661	424,228
Other assets	1,424	1,570
Total Assets	$ 1,234,267	$ 1,071,124

Liabilities (000's)

Long-term debt, curr.	$ 21,091	$ 5,000
Notes payable	88,795	50,000
Accts. payable	166,524	117,259
Accruals	22,267	21,984
Accrued payroll and taxes	78,937	63,887
Income taxes	17,085	66,567
Curr. Liabilities	$ 394,699	$ 324,697
Long-term debt	215,300	241,249
Obligations under cap. leases	23,952	24,805
Deferred taxes	67,107	29,177
+ Common stock	146,317	142,432
Retained earnings	386,892	308,764
Total Liabilities & Shareholders' Equity	$ 1,234,267	$ 1,071,124

* At lower of cost (FIFO) or market.
# Less accumulated depreciation & amortization.
+ No par value.

Statistical Summary

% Income bef. Taxes to Sales	8.47	8.60
% Net Income to Sales	4.83	4.48
% Net Income to Equity	17.39	16.17
Sales to Inventories	6.14	6.33
Debt to Equity	0.65	0.60
Working Capital	$ 335,483,000	$ 320,629,000
Current Ratio	1.85	1.99
Shareholders' Equity	$ 533,209,000	$ 451,196,000

Nortek, Inc.

50 Kennedy Plaza
Providence, Rhode Island 02903
(401) 751-1600

Officers: Ralph R. Papitto, chairman of the board & chief exec. officer; Richard L. Bready, president, chief financial & chief operating officer; Gordon M. Cooper, exec. v.p.-operations; Frank P. Ganzer, v.p.-group operations; William J. Wind, v.p.-group operations; George C. Neumann, v.p.-group operations; J. R. Potter, v.p., general counsel & secretary; Almon C. Hall, v.p., controller & chief accounting officer; Richard J. Harris, v.p. & treasurer; Dennis R. Olson, v.p. & controller-operations; Eric W. Dehmel, v.p.-employee relations/administration; Bruce E. Fleming, v.p.-corp. development; Joseph Morrow, group v.p.-Aerospace Division.

Directors: Ralph R. Papitto, chairman; Richard L. Bready, Richard J. Harris, Philip B. Brooks, Richard H. Hochman, Malcolm M. Donahue.

Areas of Work: Through the Dixieland Lumber Company, the Company operates nine retail home centers in the metropolitan San Diego area. Through these stores the Company markets a wide range of building supplies, equipment and tools to the home construction remodeling and do-it-yourself markets. Other operations are organized into three business segments. In the area of Commerical and Residential Building Products are included doors and windows, home security systems, bathroom fixtures, faucets and vanities, home ventilation equipment, range hoods, bathroom cabinets, lighting fixtures, sound system intercoms, and heating and cooling systems. In the area of Aerospace and Industrial Products are included fasteners for military and commercial aircraft, air powered tools and line support clamps for the aerospace and construction industries, landing gear and precision metal components, and self-contained sanitation units. In the area of Electrical Materials Products are included reinforced plastic composites, flexible steel conduit, PVC-coated conduit and flexible wiring systems, and high-performance wire and cable for the electronics, computer and communications industries.

Divisions and Subsidiaries:

Broan Mfg. Co., Inc.
P.O. Box 140
Hartford, Wisconsin 53027

Monarch Metal Products Corporation
1901 Estes Ave.
Elk Grove Village, Illinois 60007

M & S Systems, Inc.
2861 Congressman Lane
Dallas, Texas 75201

Gemaire Distributors, Inc.
198 Lock Road
Deerfield Beach, Florida 33441

Jensen Industries, Inc.
1946 East Yeth Street
Los Angeles, California 90058

Dixieline Lumber Company
San Diego, California

Monogram Aerospace Fasteners
3423 South Garfield Ave.
Los Angeles, California 90040

Custom Craft
8557 Higuera St.
Culver City, California 90230

J & M Products, Inc.
1919 Victory Place
Burbank, California 91504

Nordyne
10820 Sunset Office Drive
St. Louis, Missouri 63127

Textone, Inc.
Mammoth
Governair
Temtrol

Peacock Engineering
10620 Firestone Boulevard
Norwalk, California 90650

Sanitation Group
4030 Freeman Boulevard
Redondo Beach, California 90278

Chester Hoist
Salem Road
Lisbon, Ohio 44432

AFC
55 Samuel Barnett Boulevard
New Bedford, Massachusetts 02745

The Glastic Co.
4321 Glenridge Road
Cleveland, Ohio 44121

Montrose Products
Auburn Industrial Park
Auburn, Massachusetts 01501

Quality Aluminum Forge, Inc.
Orange, California
Manufactures aluminum precision forgings.

Broan, Ltd.
Manufactures range hoods, fans, heaters, central vacuums, door chimes, lighting fixtures and other residential products.

Universal-Rundle Corporation
Manufactures bath products, including tubs, lavatories, faucets, fixtures, vanities, and medicine cabinets.

L. J. Smith, Inc.
Manufactures custom hardwood stairs and stair rail parts.

Mohawk Flush Doors, Inc.
Manufactures interior hollow core flush doors.

American Door Company of Michigan, Inc.
Manufactures interior hollow core flush doors.

Bend Millwork Company/Pozzi Window Co.
Manufactures exterior wood doors, insulated windows and millwork.

Acquisitions:

Linear Corp.
2055 Corte Del Nogal
Carlsbad, California 92009
Production of home security systems and garage door operators.

Bradford-White Corp.
24th & Ellsworth Streets
Philadelphia, Pennsylvania 19146
Production of gas and electric water heaters.

Nortek, Inc.

Shower-Rite
7519 South Greenwood Avenue
Chicago, Illinois 60619
Production of shower and tub enclosures.

Castle Division of USG Industries
Pittsburg, Kansas
Manufactures residential steel entry doors.

Transfer Agent(s):

State Street Bank and Trust Company
Boston, Massachusetts 02101

Stock Exchange(s): New York

Ticker Symbol: NTK

Number of Stores: (at fiscal year end)

1987 .....9 1986 5

Sales & Earnings

	Net Sales +	Net Income ‡
1987	$1,245,808,000	$ (7,250,000)
1986	899,289,000	29,000
1985	501,504,000	17,600,000
1984	396,338,000	16,900,000
1983	234,659,000	7,100,000

	No. of Com. Shares †	Earn. per Share ‡ #
1987	15,228,898	$ —
1986	14,238,000	2.00
1985	13,269,000	1.52
1984	9,123,000	1.83
1983	8,986,000	1.01

+ Of continuing operations only.
‡ Including extraordinary losses of $550,000 in 1987 and $8,000,000 ($0.55 per share) in 1986.
† Adjusted to reflect stock split.
# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues by Line of Business
(000's)

	1987	1986
Commerical & residential building products	1,039,190	$ 690,792
Aerospace & industrial prods.	84,605	74,674
Elec. material prods.	122,013	107,061
Businesses sold	—	26,762
Total	$ 1,245,808	$ 899,289

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	$ 0.140	—	—
1986	0.095	—	4-for-3
1985	0.080	—	—
1984	0.080	—	—
1983	0.080	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	$ 222,822,000	$ 14.63
1986	240,829,000	14.83
1985	177,793,000	13.40
1984	127,343,000	13.96
1983	109,775,000	12.21

‡ Adjusted to reflect stock split.

Income Account *
(000's)

Year ended Dec. 31	1987	1986
Net sales	$ 1,245,808	$ 899,289
Cost of sales	950,622	663,160
Expenses	215,186	162,175
Interest and debt expense	69,432	68,106
Interest income	(30,132)	(32,752)
Loss (gain) on sale of secur.	23,300	(18,900)
Income bef. taxes	$ 17,400	$ 57,500
Income taxes	8,900	21,850
Inc.-cont. oper.	$ 8,500	$ 35,650
Inc. (loss)-discont. oper.	(15,200)	1,350
Net Income (Loss)	$ (6,700)	$ 37,000
Extraord. items	(550)	(8,000)
Net Income (Loss) & extraord. items	$ (7,250)	$ 29,000

* Included in Costs and Expenses, Depreciation, Depletion and Amortization: $32,078,000 in 1987 and $23,852,000 in 1986.

Assets
(000's)

As of Dec. 31	1987	1986
Cash & short term invest.	$ 66,561	$ 54,359
Market. securities	213,155	256,850
Accts. receiv., net	182,027	137,343
*Inventories	224,057	176,449
Current Assets	$ 685,800	$ 625,001
#Fixed assets	208,159	172,881
Other assets	43,276	53,870
'stangibles	153,952	127,576
Def. debt exp.	12,629	14,443
Invest. in Stanley Interiors	24,018	—
Total Assets	$ 1,127,834	$ 993,771

Liabilities
(000's)

Long-term debt, curr.	$ 92,305	$ 58,546
Accts. payable	86,784	53,160
Accruals	79,197	59,394
Curr. Liabilities	$ 258,486	$ 171,100
Long-term debt	168,073	95,369
Sr. subord. deben.	241,616	230,819
Subord. deben.	92,240	92,081
Convert. deben.	113,250	117,000
Other liabilities	31,347	26,573
+Common stock	14,617	12,347
+Special common stock	1,787	4,056
Add. paid-in capital	136,707	136,703
Re.ained earnings	91,838	100,543
Treasury stock	(15,263)	(3,056)
Deferred comp.	(6,864)	(9,764)
Total Liabilities & Shareholders' Equity	$ 1,127,834	$ 993,771

* At lower of cost (LIFO & FIFO) or market.
# Less accumulated depreciation and depletion.
+ $1 par value.

Statistical Summary

%Net Income to Equity	—	15.36
Sales to Inventories	5.56	5.10
Debt to Equity	1.17	0.64
Working Capital	$ 427,314,000	$ 453,901,000
Current Ratio	2.65	3.65
Shareholders' Equity	$ 222,822,000	$ 240,829,000

Office Depot, Inc.

4742 N.W. 2nd Avenue
Boca Raton, Florida 33431
(407) 994-2131

Officers: David I. Fuente, chairman of the board & chief executive officer; Stephen L. Dougherty, president & chief operating officer; Jack D. Kopkin, exec. v.p. & general merchandise manager; Barry J. Goldstein, v.p.-finance, chief financial officer & secretary.

Directors: David I. Fuente, chairman; Stephen L. Dougherty, Jack D. Kopkin, Gerald R. Gallagher, Steven J. Gilbert, Michael J. Myers.

Business Activities: Operates a chain of 12 large-volume office supply stores located in Florida, Georgia and Texas that sell brand-name office products primarily to small and medium-sized businesses.

Transfer Agent:

Southeast Bank, N.A.

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ODEP (NASDAQ)

Number of Stores: (at fiscal year end)

1987 .....10 1986 3

Sales & Earnings

	Net Sales	Net Income †
1988*	$ 21,761,000	$ 783,000
1987	33,683,000	(2,292,000)
1986+	1,952,000	(1,003,000)

	No. of Com. Shares	Earn. per Share † ‡
1988*	2,459,991	$ 0.13
1987	2,383,332	—
1986+	2,336,666	—

(Loss)
* 13 weeks.
+ 9 months.
† Including extraordinary gain of $298,000 ($0.05 per share) in 1988.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity †	Equity Per Share
1987	$ (1,543,800)	$ —
1986	(2,512,800)	—
1985	574,000	0.24

(Deficiency)
† After allowing for preferred stock at redemption values.

Income Account*

Year ended	3/26/88 (13 weeks)	12/26/87
Net sales	$ 21,760,000	$ 33,683,200
Cost of sales	16,336,100	25,703,200
Expenses:		
Oper. & selling	3,422,900	6,991,600
Pre-opening	139,500	601,600
Gen. & adm.	1,116,000	2,690,700
Interest expense	4,500	85,100
Interest income	(40,800)	(97,400)
Income (loss) before taxes	$ 782,600	$ (2,291,600)

Income taxes	297,400	—
Net Income (Loss)	$ 485,200	$ (2,291,600)
Extraord. gain	297,400	—
Net Income (Loss) & extraord. gain	$ 782,600	$ (2,291,600)

* Included in Costs and Expenses, Depreciation and Amortization: $149,800 in 1988 and $241,200 in 1987.

Assets

As of	3/26/88	12/26/87
Cash & cash equiv.	$ 2,418,500	$ 3,118,900
Accts. receiv., net	625,300	536,000
*Inventories	15,702,600	11,478,300
Prepaid expenses	189,600	139,200
Current Assets	$ 18,936,000	$ 15,272,400
#Fixed assets	5,122,500	4,178,200
Deposits	226,000	136,100
Other assets	86,700	4,100
Total Assets	$ 24,371,200	$ 19,590,800

Liabilities

Long-term debt, curr.	$ 149,500	$ 96,400
Accts. payable	11,609,600	8,307,300
Accruals	1,825,800	1,551,200
Curr. Liabilities	$ 13,584,900	$ 9,954,900
Long-term debt	396,100	212,600
Deferred credit	286,700	299,200
+Preferred stock:		
Class A-6% redeem.	755,600	745,200
8% convertible	10,891,700	10,891,700
++Common stock	24,600	23,800
Add. paid-in capital	943,800	758,200
Retained earnings (deficit)	(2,512,200)	(3,294,800)
Total Liabilities & Shareholders' Equity	$ 24,371,200	$ 19,590,800

* At lower of cost (average) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value; cumulative.
++ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	3.60	—
%Net Income to Sales	2.23	—
%Net Income to Equity	4.80	—
Sales to Inventories	1.39	2.93
Debt to Equity	0.05	0.03
Working Capital	$ 5,351,100	$ 5,317,500
Current Ratio	1.39	1.53
Shareholders' Equity (Deficiency)	$ 10,103,500	$ 9,124,100

One Price Clothing Stores, Inc.

290 Commerce Park
Highway 290
Duncan, South Carolina 29334
(803) 439-6666

Mailing address:
P.O. Box 2487
Spartanburg, South Carolina 29304-2487

Officers: Henry D. Jacobs, Jr., chairman & president; Raymond S. Waters, exec. v.p., secretary & treasurer; John M. Waters, v.p. & chief financial officer.

Directors: Henry D. Jacobs, Jr., Raymond S. Waters, J. Randall Groves, John M. Waters, Charles D. Moseley, Jr..

Business Activities: Operates 95 off-price women's specialty stores offering women's apparel for the uniform price of $6. Stores are located in North Carolina, South Carolina, Georgia, Tennessee and Virginia.

Transfer Agent(s):

Citizens and Southern Trust Company (Georgia), N.A.
P.O. Box 105555
Atlanta, Georgia 30348-5555

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ONPR (NASDAQ)

Number of Stores (at fiscal year end)

1987	95	1985	20
1986	52		

Sales & Earnings

	Net Sales	Net Income
1987	$ 41,235,959	$ 2,727,546
1986	24,999,000	2,012,000
1985	7,117,000	585,000
1984*	474,000	70,000

	No. of Com. Shares ‡	Earn. per Share ‡
1987	6,225,969	$ 0.44
1986	5,647,369	0.36
1985	4,931,648	0.12
1984*	4,554,322	0.02

* 7 months.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	—	—	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	12,103,118	$ 1.94
1986	2,704,478	0.48
1985	692,274	0.14
1984	100,420	0.02

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account*

Year ended Dec. 31	1987	1986
Net sales	$ 41,235,959	$ 24,999,305
Cost of sales	27,544,389	16,304,668
Expenses	9,181,000	4,794,904
Interest expense	3,900	6,180
Interest income	(307,033)	(45,207)
Other income	(32,043)	(25,444)
Income before taxes	$ 4,845,546	$ 3,964,204
Income taxes	2,118,000	1,952,000
Net Income	$ 2,727,546	$ 2,012,204

* Included in Costs and Expenses, Depreciation: $308,510 in 1987 and $104,370 in 1986.

Assets

As of Dec. 31	1987	1986
Cash	$ 5,633,435	$ 3,951,658
Short-term invest.	2,000,000	—
*Inventories	3,092,091	1,233,893
Prepaid expenses	70,313	23,914
Deferred inc. taxes	115,000	12,000
Misc. receiv.	52,847	2,586
Current Assets	$ 10,963,686	$ 5,224,051
#Fixed assets	6,535,125	1,307,720
Other assets	13,912	6,540
Total Assets	$ 17,512,723	$ 6,538,311

Liabilities

Accts payable	$ 3,756,079	$ 1,694,392
Accrued payroll	225,898	97,697
Accrued taxes	60,928	41,072
Accrued sales tax	358,125	215,817
Accrued rents	173,550	285,940
Income taxes	595,025	1,423,915
Curr. Liabilities	$ 5,169,605	$ 3,758,833
Deferred inc. taxes	240,000	75,000
+Common stock	64,581	56,474
Add. paid-in capital	6,666,179	—
Retained earnings	5,372,358	2,648,004
Total Liabilites & Shareholders' Equity	$ 17,512,723	$ 6,538,311

* At lower of average unit cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	11.75	15.86
%Net Income to Sales	6.61	8.05
%Net Income to Equity	22.54	74.40
Sales to Inventories	13.34	20.26
Working Capital	$ 5,794,081	$ 1,465,218
Current Ratio	2.12	1.39
Shareholders' Equity	$ 12,103,118	$ 2,704,478

The Oshawa Group Limited

302 The East Mall
Etobicoke, Ontario, M9B 6B8, Canada
(416) 236-1971

Officers: Ray D. Wolfe, chairman of the board & chief exec. officer; Allister P. Graham, president & chief operating officer; Philip F. Connell, sr. v.p. & chief financial officer; William L. Atkinson, group v.p.-general merchandise; Jack B. Wolfe, group v.p.-food service and produce companies; Sam Crystal, v.p.-public affairs; Paul B. Nielsen, v.p.-industrial relations; G. Michael Moffat, v.p.-business planning; Sidney Pasoff, v.p.-management information services; Donald A. Smith, v.p.-human resources; E. Leonard Besler, controller; Leonard Eisen, treasurer; Harold J. Wolfe, secretary & general counsel.

Directors: William L. Atkinson, Allister P. Graham, Charles Perrault, Arthur J. R. Smith, Harold J. Wolfe, Harvey S. Wolfe, Philip F. Connell, Ray D. Wolfe, Jack B. Wolfe, Jonathan A. Wolfe, Donald Carr.

Business Activities: Canadian food supplier through retail outlets in Ontario, Quebec, the Atlantic provinces, Manitoba and Saskatchewan. These comprise franchise markets (including IGA markets) as well as company-owned food markets (Food City Markets, Dutch Boy Food Markets). Also a food wholesaler (Codville Distributors in Manitoba, Saskatchewan and Northwestern Ontario; Toronto Food Division in Ontario; Hudon et Deaudelin limitee in Quebec and Bolands Limited in the Atlantic Provinces) and food supplier to institutional customers (Hickeson-Lang Supply Company). The Ontario Produce Company and White & Co. operate Towers Department Stores in Ontario and the Atlantic Provinces and Bonimart Department Stores in Quebec. Kent Drugs Limited, a subsidiary, operates Drug City, Metro Drugs, Discount Marts, pharmacies in Towers Department Stores. Also operates real estate subsidiaries.

Divisions and Subsidiaries:

Bolands Limited
Codville Distributors
Kent Drugs Limited
Langs Cold Storage
The Ontario Produce Company
Restaurants Division
Towers Department Stores Inc.
Hudon et Deaudelin limitee
Model Uniform Rental Services Ltd.

Field Fresh Farms Inc.
General Manager Produce
General Manager Food Service
Dutch Boy Food Markets
Hickmott-Lange Supply Company
Real Estate Division
The White & Company
Oshawa Foods
Beverage Dispenser Division
Elliott Marr and Company Limited

Transfer Agent(s):

The Canada Trust Company
Toronto, Montreal, Calgary, Vancouver and Regina

Stock Exchange(s): Toronto, Montreal

Ticker Symbol: OSH.A

Number of Stores: (at fiscal year end)

	IGA Associate and Other Franchise Food Markets	Company Owned Food Markets
1988	1,199	105
1987	1,100	105
1986	1,041	112
1985	1,012	82
1984	918	83

	Disc. Dept. Stores	Restaurants and Snack Bars
1988	49	49
1987	49	51
1986	48	53
1985	48	54
1984	47	56

	Pharmacies	Drug Marts
1988	23	50
1987	22	50
1986	23	50
1985	22	47
1984	22	46

Sales & Earnings

	Net Sales ($000's)	Net Income # ($000's)
1988	$ 3,804,015	$ 49,887
1987	3,526,098	47,251
1986	3,102,447	40,986
1985	2,665,774	36,179
1984	2,434,985	25,895

	No. of Com. Shares +	Earn. per Share #‡
1988	31,982,929	$ 1.56
1987	31,888,946	1.48
1986	31,856,742	1.29
1985	31,787,492	1.14
1984	31,670,984	0.92

‡ Based on the weighted average Class A and common shares combined outstanding adjusted to reflect stock splits.
+ Class A and common shares combined outstanding adjusted to reflect stock splits.
# Including extraordinary gains of $4,023,000 ($0.12 per share) in 1987, and $126,000 ($0.01 per share) in 1986.

Revenues by Line of Business
($000's)

	1988	1987
Food Distribution	$ 3,218,994	$ 2,979,944
General Merchandise	582,784	541,258
Real Estate	2,237	4,896
Total	$ 3,804,015	$ 3,526,098

Common Stock

	Cash Dividend‡	Stock Dividend	Stock Split
1988	$ 0.31	—	—
1987	0.27 1/4	—	2-for-1
1986	0.24	—	—
1985	0.20 1/4	—	2-for-1
1984	0.16 1/2	—	—

‡ Class A and common shares combined adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	$ 341,374,000	$ 10.67
1987	299,579,000	9.39
1986	260,381,000	8.17
1985	226,084,000	7.11
1984	195,223,000	6.16

‡ Based on the weighted average number of combined Class A and common shares outstanding adjusted to reflect stock splits.

Income Account
($000's)

Year ended	1/23/88	1/24/87
Net sales	$ 3,804,015	$ 3,526,098
Cost of sales & expenses	3,685,267	3,419,449
Depreciation	25,179	22,438
Interest expense	5,054	5,517
Int. & dividends earned	(5,692)	(4,230)
Income before taxes	$ 94,207	$ 82,924
Income taxes	44,320	39,696
Net income	$ 49,887	$ 43,228
Extraord. gain	—	4,023
Net income & extraord. gain	$ 49,887	$ 47,251

Assets
($000's)

As of	1/23/88	1/24/87
Cash & marketable sec.	$ 46,879	$ 35,158
Accts. receiv., net	115,898	103,616
Real estate held for sale	1,706	1,515
*Inventories	246,818	234,454
Prepaid expenses	8,694	7,275
Current Assets	$ 419,995	$ 382,018
#Fixed assets	227,682	216,332
Other assets	25,257	21,139
Total Assets	$ 672,934	$ 619,489

Liabilities
($000's)

Bank indebtedness & notes payable	$ 34,318	$ 30,803
Long-term debt, curr.	496	1,180
Accts. pay. & accruals	224,303	209,165
Income taxes payable	13,309	16,663
Curr. Liabilities	$ 272,426	$ 257,811
Long-term debt	38,165	43,680
Deferred inc. taxes	20,969	18,419
+Common stock	44	44
+Class A stock	97,683	95,877
Retained earnings	243,647	203,658
Total Liabilities & Shareholders' Equity	$ 672,934	$ 619,489

* At lower of cost (FIFO) and net realizable value.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Income bef. Taxes ☐ Sales	2.48	2.35
%Net Income to Sales	1.31	1.23
%Net Income to Equity	14.61	14.43
Sales to Inventories	15.41	15.04
Debt to Equity	0.21	0.25
Working Capital	$ 147,569,000	$ 124,207,000
Current Ratio	1.54	1.48
Shareholders' Equity	$ 341,374,000	$ 299,579,000

Oshkosh B'Gosh, Inc.

112 Otter Avenue
Oshkosh, Wisconsin 54901
(414) 231-8800

Mailing address:
P.O. Box 300
Oshkosh, Wisconsin 54902

Officers: C. F. Hyde, president & chief exec. officer; T. R. Wyman, exec. v.p.; W. P. Jacobsen, v.p. & treasurer; J. F. Beckman, v.p.-sales; A. S. Giordano, v.p.-mfg.; S. R. Dubeck, secretary; K. H. Masters, asst. v.p.-mfg.; D. W. Hyde, v.p.-merchandising; M. D. Wachtel, v.p.-operations.

Directors: C. F. Hyde, W. P. Jacobsen, T. R. Wyman, S. R. Dubeck, J. C. Pickard.

Business Activities: Manufactures and markets workwear and sportswear for adults, and casualwear and playwear for children, under the OshKosh B'Gosh and OshKosh names. Also operates 10 Genuine Article factory retail outlets in six states, with the greatest number of stores (3) located in Wisconsin.

Subsidiary:

Oshkosh B'Gosh International Sales, Inc.
Oshkosh, Wisconsin

Transfer Agent(s):

First Wisconsin Trust Co.
First Wisconsin Center
P.O. Box 2054
Milwaukee, Wisconsin 53201

Stock Exchange(s): Over-the-Counter

Ticker Symbol: GOSHA, GOSHB (NASDAQ)

Number of Stores: (at fiscal year end)

1987	10	1985	9
1986	9	1984	6

Sales & Earnings

	Net Sales	Net Income
1987	$ 226,298,000	$ 23,999,000
1986	198,197,000	20,636,000
1985	162,109,000	14,046,000
1984	137,423,000	12,853,000
1983	92,299,238	8,237,214

	No. of Com. Shares +	Earn. per Share ‡
1987	14,585,800	$ 1.64
1986	14,585,800	1.41
1985	14,585,800	0.96
1984	14,585,800	0.88
1983	14,585,800	0.56

+ Adjusted to reflect stock splits.
‡ Based on the weighted average number of shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend+	Stock Dividend	Stock Split
1987	0.6300	—	2-for-1
1986	0.4949	—	—
1985	0.3837	—	20-for-1
1984	0.3443	—	—
1983	0.2139	—	—

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	$ 83,428,000	$ 5.72
1986	64,375,000	4.41
1985	47,536,000	3.26
1984	36,072,000	2.47
1983	26,153,031	1.79

‡ Adjusted to reflect stock splits.

Income Account *

Year ended Dec. 31	1987	1986
Net sales	$ 226,198,000	$ 198,197,000
Cost of sales	154,619,000	131,661,000
Expenses	29,924,000	25,444,000
Interest expense	649,000	911,000
Interest income	(376,000)	(191,000)
Other income	(755,000)	(278,000)
Income before taxes	$ 42,237,000	$ 40,650,000
Income taxes	18,338,000	20,014,000
Net income	$ 23,899,000	$ 20,636,000

* Included in Costs and Expenses, Depreciation: $2,845,000 in 1987 and $2,582,000 in 1986.

Assets

As of Dec. 31	1987	1986
Cash	$ 8,903,000	$ 6,826,000
Accts. receiv., net	21,690,000	17,725,000
*Inventories	52,447,000	48,677,000
Prepaid expenses	439,000	417,000
Current Assets	$ 83,479,000	$ 73,645,000
# Fixed assets	28,951,000	21,096,000
Other assets	841,000	569,000
Total Assets	$ 113,271,000	$ 95,310,000

Liabilities

Long-term debt, curr.	$ 1,124,000	$ 1,173,000
Accts. payable	11,928,000	$ 11,046,000
Dividends payable	1,005,000	971,000
Accruals	2,403,000	2,839,000
Income taxes	1,642,000	3,412,000
Other liabilities	3,112,000	2,223,000
Curr. Liabilities	$ 21,212,000	$ 21,604,000
Long-term debt	6,790,000	7,915,000
Deferred income taxes	635,000	499,000
Deferred compensation	1,206,000	917,000
+Common stock:		
Class A	128,000	55,000
Class B	18,000	18,000
Add. paid-in capital	2,971,000	3,044,000
Retained earnings	80,311,000	61,258,000
Total Liabilities & Shareholders' Equity	$ 113,271,000	$ 95,310,000

* At lower of cost (LIFO) or market.
# Less accumulated depreciation.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	18.66	20.51
%Net Income to Sales	10.56	10.41
%Net Income to Equity	28.65	32.06
Sales to Inventories	4.31	4.07
Debt to Equity	0.09	0.14
Working Capital	$ 62,267,000	$ 52,041,000
Current Ratio	3.94	3.41
Shareholders' Equity	$ 83,428,000	$ 64,375,000

Oshman's Sporting Goods, Inc.

2302 Maxwell Lane
Houston, Texas 77023
(713) 928-3171

Officers: Jeanette Oshman Efron, chairman of the board; Alvin N. Lubetkin, vice chairman of the board, chief exec. officer & chairman exec. committee; Marvin Aronowitz, president & chief operating officer; Joe D. Nanny, sr. v.p.; Charles Rosemond, sr. v.p.; Edgar H. Regan, sr. v.p.; Edward R. Carlin, exec. v.p. & chief financial officer; Allan Lane, v.p.; Glen B. Boyd, v.p.; A. Lynn Boerner, v.p.; W. Merrill Glasgow, v.p.; T. Marshall Wilkes, Jr., v.p.; Richard L. Bockart, v.p. & treasurer; Thomas Querel, corp. controller.

Directors: Jeanette Oshman Efron, chairman; Alvin N. Lubetkin*, Marvin Aronowitz*, Fred M. Gerson, Richard L. Bockart*, Paul Stoffel, Judy O. Margolis, Marilyn O. Lubetkin, Edward R. Carlin*, Gerald W. Bodzy, Dolph B. H. Simon, , * Member of the Executive Committee.

* Member of the Executive Committee

Business Activities: Operates 188 retail sporting goods specialty stores offering sporting goods equipment and sportswear in 15 states under the Oshman's, Honsport, and SuperSports USA names. Seventy-one of these stores are located in California and 60 are located in Texas. The Company also sells athletic equipment and uniforms to schools and amateur and professional teams.

Transfer Agent(s):

MTrust Corp., N.A.
Dallas, Texas

Stock Exchange(s): Over-the-Counter

Ticker Symbol: OSHM (NASDAQ)

Number of Stores: (at fiscal year end)

1988	213	1985	192
1987	215	1984	186
1986	209		

Sales & Earnings

	Net Sales	Net Income
1988	$ 332,700,000	$ 3,585,000
1987	322,900,000	2,664,000
1986	312,261,000	8,536,000
1985*	304,419,000	10,069,000
1984	283,238,000	10,303,000

	No. of Com. Shares #	Earn. per Share #
1988	5,772,000	$ 0.61
1987	5,841,000	0.45
1986	5,934,000	1.40
1985*	6,406,000	1.53
1984	6,767,000	1.52

* 53 weeks.
# Based on the weighted average number of common shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	$ 0.20	—	—
1987	0.20	—	—
1986	0.20	—	—
1985	0.20	—	—
1984	0.17	—	—

Common Stock Equity

	Total Equity	Equity Per Share +
1988	$ 66,195,000	$ 11.47
1987	63,747,000	10.91
1986	62,938,000	10.62
1985	63,909,000	9.98
1984	61,451,000	9.08

+ Based on the weighted average number of common shares outstanding.

Income Account * (000's)

Year ended	1/30/88	1/31/87
Net sales	$ 332,735	$ 322,900
Cost of sales	203,661	196,483
Expenses	121,357	118,513
Other income	(1,389)	(1,028)
Interest expense	3,435	3,708
Income before taxes	$ 5,671	$ 5,024
Income taxes	2,086	2,360
Net Income	$ 3,585	$ 2,664

* Included in Costs and Expenses, Depreciation and Amortization: $5,678,000 in 1988 and $5,446,000 in 1987.

Assets (000's)

As of	1/30/88	1/31/87
Cash	$ 4,329	$ 692
Accts. receiv., net	7,346	7,893
*Inventories	93,854	85,988
Prepaid expenses	2,112	2,632
Current Assets	$ 107,641	$ 97,205
# Fixed assets	34,509	35,600
Intangibles	217	499
Total Assets	$ 142,367	$ 133,304

Liabilities (000's)

Long-term debt, curr.	$ 3,957	$ 2,146
Accts. payable	28,769	27,615
Accruals	13,252	11,520
Income taxes	3,088	2,753
Curr. Liabilities	$ 49,066	$ 44,034
Long-term debt	22,975	21,084
Deferred inc. taxes	4,131	4,439
+Common stock	5,772	5,841
Add. paid-in capital	2,621	1,666
Retained earnings	57,802	56,240
Total Liabilities & Shareholders Equity	$ 142,367	$ 133,304

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	1.70	1.56
%Net Income to Sales	1.08	0.83
%Net Income to Equity	5.42	4.18
Sales to Inventories	3.55	3.76
Debt to Equity	0.41	0.36
Working Capital	$ 58,575,000	$ 53,171,000
Current Ratio	2.19	2.21
Shareholders' Equity	$ 66,195,000	$ 63,747,000

Pacific Enterprises

(formerly Pacific Lighting Corporation)

801 South Grand Avenue
Los Angeles, California 90017
(213) 895-5000

Officers: Paul A. Miller, chairman & chief exec. officer; James R. Ukropina, president; Lloyd A. Levitin, exec. v.p.; Willis B. Wood, Jr., exec. v.p.; Leslie E. Lollengh, Jr., v.p. & general counsel; Stanley A. Ratzlaff, v.p. & controller; Paul A. Williams, II, v.p. & treasurer; William L. Cole, v.p.; J. Patrick Garner, v.p.; James T. Pollard, v.p.; Charles F. Weiss, v.p.; J. Foster Hames, secretary; Leonard H. Straus, chairman & chief exec. officer-Thrifty Corporation; Richard G. Ellis, president, chief operating & financial officer-Thrifty Corporation.

Directors: Paul A. Miller, chairman; James F. Dickason, Robert R. Dockson, Ignacio E. Lozano, Jr., Joseph N. Mitchell, Joseph R. Rensch, Donald B. Rice, August H. Schilling, Rocco C. Siciliano, William F. Smith, Leonard H. Straus, James R. Ukropina, Daniel G. Volkmann, Jr., James H. Zumberge.

Business Activities: A holding company whose subsidiaries are involved in the operation of a natural gas distribution utility, specialty retailing, oil and gas exploration and production, interstate and offshore natural gas transmission, alternate energy, and financial services, including leasing of equipment.

Through its Thrifty Corporation subsidiary, the Company operates a chain of drug and discount stores in the Pacific region under the names "Thrifty Drug and Discount Stores" and "Thrifty Jr." Also operates sporting goods stores under the name "Big 5," "Michigan Sporting Goods," "Gart Bros.," "Dave Cook Sporting Goods," and "Casey's Sporting Goods" in California, Nevada, Colorado, Michigan, Utah, Illinois, Ohio, Missouri, and Washington.

Retail Subsidiaries:

Thrifty Corporation
3424 Wilshire Boulevard
Los Angeles, California 90010
(213) 251-6000

FTM Sports Corporation
12118 S.W. 117th Court
Miami, Florida 33186
(305) 255-2272

P.O. Box 165203
Miami, Florida 33116
(800) 292-5589

Gart Bros. Sporting Goods Company
1000 Broadway
Denver, Colorado 80203
(303) 861-1122

Michigan Sporting Goods Distributors, Inc.
2740 29th Street, S.E.
Grand Rapids, Michigan 49508
(616) 942-2600

Retail Square Drugs, Inc.
3424 Wilshire Boulevard
Los Angeles, California 90010
(213) 251-6000

Newman Importing Company, Inc.
5500 West Jefferson Boulevard
Los Angeles, California 90016
(213) 935-7600

United Merchandising Corporation
1440 Ocean Gate Avenue
Hawthorne, California 90250
(213) 772-2772

Transfer Agent(s):

Pacific Enterprises
Los Angeles, California

Stock Exchange(s): New York, Pacific

Ticker Symbol: PET

Number of Stores (at fiscal year end)

	Drug and Discount	Sporting Goods
1987	641	160
1986	594	118
1985	555	86
1984	542	71
1983	537	65

Sales & Earnings

	Revenues	Net Income
1987	$5,339,310,000	$ 251,168,000
1986	5,323,757,000	83,605,000
1985	6,487,985,000	186,656,000
1984	6,080,739,000	165,151,000
1983	5,774,289,000	189,167,000

	No. of Com. Shares ‡	Earn. per Share ‡
1987	59,304,000	$ 4.14
1986	58,103,000	1.34
1985	55,551,000	3.25
1984	53,307,000	2.99
1983	49,115,000	3.73

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business
(000's)

	1987	1986
Utility	$ 3,304,996	$ 3,615,350
Specialty retailing	1,846,080	1,554,790
Oil & gas exploration	148,725	120,701
Other	483,992	544,813
Adjust. of revenues of subsid.	(7,184)	(16,638)
Intersegment	(435,899)	(495,259)
Total	$ 5,339,310	$ 5,323,757

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	$ 3.48	—	—
1986	3.48	—	—
1985	3.36	—	—
1984	3.20	—	—
1983	3.04	—	—

Common Stock Equity

	Total Equity † (000's)	Equity Per Share ‡
1987	$ 1,611,699	$ 27.18
1986	1,547,400	26.63
1985	1,559,171	28.07
1984	1,498,542	28.16
1983	1,370,564	25.76

† After allowing for preferred stock at stated values.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended Dec. 31	1987	1986
Revenues	$ 5,339,310	$ 5,323,757
Other income	23,659	27,385
Total income	$ 5,362,969	$ 5,351,142
Cost of sales	3,158,325	3,198,370
Expenses	1,321,270	1,311,086
Depreciation, depletion & amortization	232,771	205,056
Franchise payments	94,874	96,373
Interest expense	151,739	172,739
Write-down of oil and gas props.	—	227,200
Thrifty acq. exp.	—	10,553
Preferred div. of a subsid.	7,223	7,226
Income before taxes	$ 396,826	$ 122,539
Income taxes	172,212	62,758
Inc.-cont. oper	$ 224,614	$ 59,781
Inc.-discont. oper.	26,554	23,824
Net Income	$ 251,168	$ 83,605

Assets
(000's)

As of Dec. 31	1987	1986
Cash	$ 17,025	$ 7,553
Short-term invest.	42,800	56,000
Accts. receiv., net	675,017	493,686
Refundable taxes	—	8,888
Deferred inc. taxes	40,622	—
*Inventories	570,307	484,323
Regulatory balancing accts.	22,353	312,077
Prepaid expenses	34,188	37,155
Invest.-discont. oper.	—	259,221
Current Assets	$ 1,402,312	$ 1,658,903
Investments	136,696	127,352
Long-term notes receiv.	32,111	44,927
#Fixed assets	3,309,511	3,039,661
Recov. gas supply proj. costs	27,317	39,663
Other assets	118,983	109,535
Total Assets	$ 5,026,930	$ 5,020,041

Liabilities
(000's)

Short-term debt	$ 139,530	$ 468,900
Long-term debt, curr.	78,561	38,043
Accts. payable	743,420	592,190
Accrued taxes	215,364	77,786
Accrued interest	80,397	64,325
Deferred income taxes	—	187,376
Other current liabilities	130,662	63,821
Curr. Liabilities	$ 1,387,934	$ 1,492,439
Long-term debt	1,342,297	1,365,870
Cap. lease oblig.	60,926	61,678
Deferred inc. taxes	245,446	151,747
Deferred invest. credit	96,357	94,322
Other deferred credits	91,837	116,151
Preferred stocks of subsid.	80,394	80,394
+Preferred stock	110,040	110,040
+Common stock	874,914	855,139
Retained earnings	775,025	736,091
Deferred comp. Emp. stock owner plan	(38,240)	(43,830)
Total Liabilities & Shareholders' Equity	$ 5,026,930	$ 5,020,041

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

%Net Income to Equity	14.59	5.04
Debt to Equity	0.94	1.17
Working Capital	$ 14,378,000	$ 166,464,000
Current Ratio	1.01	1.11
Shareholders' Equity	$ 1,721,739,000	$ 1,657,440,000

Parisian, Inc.

200 Research Parkway
Birmingham, Alabama 35211
(205) 940-4000

(Became a privately held corporation via a leveraged buyout on April 26, 1988.)

Officers: Emil C. Hess, chairman of the board; Donald E. Hess, president & chief executive officer; Harold L. Abrams, exec. v.p., chief operating officer, secretary & treasurer; Tom R. Amerman, sr. v.p.-personnel and loss prevention; D. Warren Bailey, sr. v.p.-finance & chief financial officer; Jim W. Adams, v.p.-stores & sales promotion; Howard R. Finkelstein, v.p. & gen. mdse. mgr.; John W. Parrott, v.p.-operations; Sandra K. Purvis, v.p. & gen. mdse. mgr.; Kenneth R. Scarborough, v.p.-info. systems; Gary A. Smith, v.p.-distribution & controller.

Directors: Emil C. Hess, chairman of the board; Donald E. Hess, Harold L. Abrams, Neal R. Berte, Drayton Nabers, Jr..

Business Activities: Operates a chain of 15 specialty department stores in Alabama, Georgia and Florida under the name 'Parisian.' These stores offer medium-to-higher priced fashion apparel, shoes and accessories for men, women and children.

Number of Stores: (at fiscal year end)

1987	15	1984	10
1986	13	1983	10
1985	12		

Sales & Earnings

	Net Sales	Net Income
1987	$ 226,364,000	$ 9,592,000
1986	184,385,000	8,257,000
1985	166,973,000	5,303,000
1984	136,603,000	6,059,000
1983	122,981,000	3,674,000

	No. of Com. Shares ‡	Earn. per Share ‡
1987	7,228,000	$ 1.33
1986	6,740,000	1.23
1985	6,740,000	0.79
1984	5,886,000	1.01
1983	5,655,000	0.64

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	$ 80,052,000	$ 11.08
1986	52,109,000	7.73
1985	43,852,000	6.51
1984	38,550,000	5.55
1983	18,143,000	3.21

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended	1/31/87	2/1/86
Net sales	$ 226,363,737	$ 184,385,045
Cost of sales	132,444,545	107,442,765
Expenses	66,245,998	53,605,707
Other oper. expenses	14,697,488	12,177,479
Interest expense	2,910,426	2,283,946
Interest income	(6,983,520)	(5,817,413)
Other income	(328,100)	(203,948)
Income before taxes	$ 17,376,908	$ 14,896,509
Income taxes	7,785,000	6,640,000
Net income	$ 9,591,908	$ 8,256,509

* Included in Costs and Expenses, Depreciation and Amortization: $5,323,158 in 1987 and $3,517,936 in 1986.

Assets

As of	1/31/87	2/1/86
Cash	$ 955,560	$ 1,457,798
Accts. receiv., net	65,961,733	54,433,836
Refundable taxes	—	932,663
*Inventories	37,892,630	31,878,726
Prepaid expenses	5,667,937	8,346,123
Current Assets	$ 110,477,860	$ 97,049,146
#Fixed assets	50,253,848	28,896,440
Funds restricted for future construc.	—	5,500,000
Other assets	2,617,755	2,185,386
Total Assets	$ 163,349,463	$ 133,630,972

Liabilities

Long-term debt, curr.	$ 1,257,900	$ 1,288,947
Accts. payable	12,138,917	12,383,697
Accrued store rent	1,540,310	1,722,850
Income taxes	1,979,522	12,685
Sales tax payable	3,322,901	2,770,826
Deferred income taxes	12,586,158	12,431,158
Other current liabilities	3,748,815	2,807,818
Curr. Liabilities	$ 36,574,523	$ 33,417,981
Long-term debt	40,722,701	43,982,152
Deferred inc. taxes	4,915,308	3,112,307
Other liabilities	1,084,589	1,009,549
+Common stock	74,928	67,399
Add. paid-in capital	33,229,205	14,885,283
Retained earnings	46,748,209	37,156,301
Total Liabilities & Shareholders' Equity	$ 163,349,463	$ 133,630,972

* At lower of cost (LIFO & average) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	7.68	8.08
%Net Income to Sales	4.24	4.48
%Net Income to Equity	11.98	15.84
Sales to Inventories	5.97	5.78
Debt. to Equity	0.52	0.87
Working Capital	$ 73,903,337	$ 63,631,165
Current Ratio	3.02	2.90
Shareholders' Equity	$ 80,052,342	$ 52,108,983

Paul Harris Stores, Inc.

6003 Guion Road
P.O. Box 68162
Indianapolis, Indiana 46268
(317) 293-3900

Officers: Gerald Paul, chairman & chief executive officer; David R. Bomberger, president; Charles Lang, sr. v.p.-finance & treasurer; Howard W. Barnett, v.p.-real estate; Russell Frankel, v.p.-stores planning & construction; Cynthia Harriss, v.p.-merchandising; Gerald Callahan, v.p.-management information systems; Dale Ball, v.p. & asst. to chairman; Tom Yoe, v.p.-merchandising; William L. Lawrence, Jr., v.p. & controller; Ray Miller, asst. treasurer; Richarad Smithson, v.p.-merchandising; Charles Armstrong, v.p.-merchandising & phys. distribution; Robert Bishop, v.p.-tactical distribution; Babette Hayslett, v.p.-merchandising; C. Benjumin, asst. secretary; James Stancil, dir.-stores.

Directors: Earl Harris, Gerald Paul, Eugene L. Step, Allen L. Boorstein, William E. Fruhan, David R. Bomberger, Irwin Katz, Tomio Taki, James Gordon, Scott Hodes, Elizabeth Kraft, John Rosenblum.

Business Activities: Operates 250 retail clothing stores primarily for the fashion-conscious woman in the 18 to 35 age group, in 34 states and the District of Columbia, under the name Paul Harris. Also operates 39 discount clothing stores for men and women under the name Clothes Out Junction stores, and 58 sportswear retail stores for women under the name Pasta.

Transfer Agent(s):

Merchants National Bank
One Merchants Plaza
Indianapolis, Indiana 46277

Stock Exchange(s): Over-the-Counter

Ticker Symbol: PHRS (NASDAQ)

Number of Stores: (at fiscal year end)

1987	347	1984	190
1986	273	1983	171
1985	223		

Sales & Earnings

	Net Sales	Net Income
1988	$ 190,242,000	$ 4,750,000
1987	160,966,000	6,157,000
1986	125,864,000	4,757,000
1985	111,175,000	4,019,000
1984	101,053,000	3,398,000

	No. of Com. Shares +	Earn. Per Share +
1988	9,141,000	$ 0.52
1987	9,068,000	0.68
1986	8,288,000	0.57
1985	7,449,000	0.54
1984	6,648,000	0.51

+ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	—	—	3-for-2
1987	—	—	—
1986	—	—	2-for-1
1985	—	—	—
1984	—	—	4-for-3

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	$ 41,417,000	$ 5.62
1987	44,746,000	4.93
1986	37,939,000	4.58
1985	22,912,000	3.08
1984	18,773,000	2.82

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Income Account

Year ended	1/30/88	1/31/87
Net sales	$ 190,242,000	$ 160,966,000
Cost of sales	124,676,000	101,715,000
Expenses	50,207,000	42,098,000
Depreciation	5,734,000	4,319,000
Interest expense	2,906,000	1,439,000
Income before taxes	$ 6,719,000	$ 11,395,000
Income taxes	2,813,000	5,238,000
Cum. effect of accntg. change	(844,000)	—
Net income	$ 4,750,000	$ 6,157,000

Paul Harris Stores, Inc.

Assets

As of	1/30/88	1/31/87
Cash & short-term invest.	$ 7,846,000	$ 2,959,000
Accts. receiv., net	3,500,000	852,000
*Inventories	50,792,000	37,524,000
Prepaid expenses	2,285,000	1,699,000
Current Assets	$ 64,423,000	$ 43,034,000
#Fixed assets	44,404,000	33,300,000
Other assets	2,420,000	606,000
Total Assets	$ 111,247,000	$ 76,940,000

Liabilities

Long-term debt, curr.	$ 1,622,000	$ 903,000
Accts. payable	7,880,000	9,228,000
Accruals	2,794,000	1,967,000
Accrued payroll	1,446,000	1,732,000
Curr. Liabilities	$ 13,742,000	$ 13,830,000
Long-term debt	43,973,000	16,843,000
Deferred inc. taxes	2,115,000	1,521,000
+Common stock	14,677,000	13,969,000
++Class B Common stock	146,000	157,000
Add. paid-in capital	5,369,000	4,142,000
Retained earnings	31,225,000	26,476,000
Total Liabilities & Shareholders' Equity	$ 111,247,000	$ 76,940,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.
++ No par value; $0.067 stated value.

Statistical Summary

%Income bef. Taxes to Sales	3.53	7.08
%Net Income to Sales	2.50	3.83
%Net Income to Equity	9.34	13.76
Sales to Inventories	3.75	4.29
Debt to Equity	0.89	0.38
Working Capital	$ 50,681,000	$ 29,204,000
Current Ratio	4.69	3.11
Shareholders' Equity	$ 51,417,000	$ 44,746,000

Pay'N Pak Stores, Inc.

1209 South Central
Kent, Washington 98032
(206) 854-5450

Mailing Address:
P.O. Box 8808
Kent, Washington 98031-0480

(Became a privately held corporation via a leveraged buyout on March 22, 1988.)

Officers: David J. Heerensperger, chairman of the board & chief exec. officer; Marshall J. Weigel, vice chairman; Jerry L. Marlow, president & chief operating officer; Richard T. Takata, sr. v.p.-store merchandising; Peter W. Gallina, sr. v.p.-real estate & store development; Victor W. Crosswhite, v.p.-purchasing; Douglas G. Southern, v.p.-finance & secretary-treasurer; Calvin E. Karbowski, v.p.-distribution; George E. Smith, v.p.-training; Fred R. Brotherton, v.p. & controller; Barbara I. Collett, v.p.-personnel & labor relations; Herbert E. McCleary, v.p.-advertising; Paul B. Morris, v.p.-store planning & design; Richard E. Fried, v.p.-marketing.

Directors: David J. Heerensperger, chairman; Woodrow C. Button, Marshall J. Weigel, Jerry L. Marlow, Monte A. Leen, Jerry Horn.

Areas of Work: Operates a chain of stores which features a complete line of home improvement products, including electrical and plumbing supplies, building materials, cabinets and built-in appliances. Stores are located in 17 western and mid-western states, including Alaska and Hawaii.

Number of Stores: (at fiscal year end)

1987	107	1984	100
1986	106	1983	98
1985	101		

Sales & Earnings

	Revenues	Net Income
1987	$ 398,422,000	$ 5,686,000
1986	333,782,000	8,168,000
1985	305,185,000	10,105,000
1984	250,040,235	10,024,899
1983	187,337,902	6,368,044

	No. of Com. Shares +	Earn. per Share ‡
1987	10,002,832	$ 0.57
1986	10,002,832	0.82
1985	10,002,832	1.01
1984	10,002,832	1.11
1983	7,652,830	0.87

+ Adjusted to reflect stock split.
‡ Based on the weighted average number of common shares outstanding adjusted to reflect stock split.

Revenues by Line of Business

	1987	1986	1985	1984
Electrical	21%	21%	25%	28%
Plumbing	20	22	22	23
Building materials	51	52	50	49
Garden Supplies	8	5	3	—
Total	100%	100%	100%	100%

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1987	$ 0.52	—	—
1986	0.63	—	—
1985	0.60	—	—
1984	0.56	—	3-for-2
1983	0.507	—	—

‡ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share +
1987	$ 100,127,000	$ 10.01
1986	99,643,000	9.96
1985	97,776,000	9.77
1984	93,673,204	9.36
1983	47,430,094	6.20

+ Adjusted to reflect stock split.

Income Account

Year ended Feb. 28	1987	1986
Revenues	$ 398,422,000	$ 333,782,000
Cost of sales	262,995,000	219,684,000
Expenses	96,080,000	77,763,000
Rent	9,854,000	7,524,000
Depreciation	10,110,000	8,260,000
Interest expense	7,379,000	5,432,000
Other interest	771,000	656,000
Income before taxes	$ 11,233,000	$ 14,463,000
Income taxes	5,547,000	6,295,000
Net Income	$ 5,686,000	$ 8,168,000

Assets

As of Feb. 28	1987	1986
Cash	$ 5,791,000	$ 3,723,000
Accts. & notes receiv., net	2,199,000	2,954,000
Inc. taxes receiv.	—	1,169,000
*Inventories	106,493,000	107,127,000
Prepaid expenses	1,735,000	1,535,000
Current Assets	$ 116,218,000	$ 116,508,000
#Fixed assets	111,588,000	104,775,000
Other assets	2,303,000	1,731,000
Total Assets	$ 230,109,000	$ 223,014,000

Liabilities

Payable to bank	$ 522,000	$ 6,325,000
Notes payable	22,255,000	20,475,000
Long-term debt, curr.	1,842,000	1,801,000
Accts. payable	28,830,000	16,124,000
Accruals	1,583,000	1,657,000
Accrued payroll & prof. sh.	2,837,000	3,885,000
Income taxes	566,000	312,000
Other taxes	3,198,000	2,103,000
Curr. Liabilities	$ 61,633,000	$ 52,682,000
Long-term debt	60,948,000	64,270,000
Deferred income taxes	6,067,000	5,338,000
Deferred income	1,334,000	1,081,000
+Common stock	67,722,000	67,722,000
Retained earnings	32,405,000	31,921,000
Total Liabilities & Shareholders' Equity	$ 230,109,000	$ 223,014,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation & amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Revenues	2.82	4.33
%Net Income to Revenues	1.43	2.45
%Net Income to Equity	5.68	8.20
Debt to Equity	0.61	0.93
Working Capital	$ 54,495,000	$ 63,826,000
Current Ratio	1.89	2.21
Shareholders' Equity	$ 100,127,000	$ 99,643,000

Pay'n Save Inc.

4045 Delridge Way S.W.
P.O. Box C-47255
Seattle, Washington 98146
(206) 938-6500

(SeaCorp, Inc. and Zimmerman Retailing Group Limited each own 40.6% of stock.)

Officers: William Zimmerman, chairman of the board; Gerald Nathanson, vice chairman, president & chief executive officer; Kevin Regan, exec. v.p. & chief financial officer; Elmer DeFilippo, sr. v.p.-marketing, Pay'n Save Stores, Inc.; Ronald Fleisher, sr. v.p.-merchandising, Pay'n Save Stores, Inc.; Haven Ready, sr. v.p.-operations & stores, Pay'n Save Stores, Inc.; Marty W. Smith, president-The Bi-Mart Company; Kristopher S. Galvin, v.p.-finance & treasurer; Kinne F. Hawes, v.p., general counsel & secretary.

Directors: William Zimmerman, chairman of the board; Gerald Nathanson, William S. Elkus, Charles R. Engles, James Jacobson, Kenneth D. Moelis, Eddie Trump.

Business Activities: Operates 146 drug marts under the Pay'n Save and Bi-Mart name in eight western states, including Alaska and Hawaii.

Subsidiaries:

Pay'n Save Stores, Inc.
The Bi-Mart Company
PNS Inc.

Transfer Agent(s):

MBank Dallas
P.O. Box 22415
Dallas, Texas 75265

Stock Exchange(s): Over-the-Counter

Ticker Symbol: PAYN (NASDAQ)

Number of Stores* (at fiscal year end)

1987	146	1984	132
1985	132	1983	128

* Drugstores only.
NOTE: Pay'n Save is a corporate joint venture, with approximately 40.6% of its outstanding stock owned by each of SeaCorp, Inc. and Zimmerman Retailing Group Ltd. with the remainder publicly owned pursuant to a public offering July 1986. The venture was formed on Nov. 2, 1985 upon its acquisition of the operations of PSI from Seattle Standard Corporation (SSC), the parent of SeaCorp.

Sales & Earnings

	Net Sales	Net Income
10/31/87	$ 726,131,000	$ (26,828,000)
11/1/86	555,098,000	(49,363,000)
11/2/85+	755,325,000	(17,893,000)
10/12/84 * #	475,269,000	4,856,000
1/28/84 #	674,411,000	15,668,000

	No. of Com. Shares	Earn. per Share ‡
10/31/87	18,693,668	—
11/1/86	17,250,000	—
11/2/85+	14,000,000	—

(Loss)
* 34 weeks.
+ Pay'n Save & Bi-Mart subsequent to SSC acquisition.
# Pay'n Save & B-Mart prior to SSC acquisition.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
10/31/87	$ 86,078,000	$ 4.60
11/1/86	103,503,000	6.00
11/2/85	105,000,000	7.50

Income Account *
(000's)

Year ended	10/31/87	11/1/86
Net sales	$ 726,131	$ 555,098
Cost of sales	540,246	418,332
Expenses	180,075	159,652
Interest expense	32,638	26,477
Net Loss	$ (26,828)	$ (49,363)

* Included in Costs and Expenses, Depreciation and Amortization: $11,573,000 in 1987 and $9,330,000 in 1986.

Assets
(000's)

As of	10/31/87	11/1/86
Cash	$ 7,063	$ 14,834
Marketable securities	—	34,571
Accts. receiv., net	6,940	5,627
*Inventories	239,771	190,976
Prepaid expenses	3,475	584
Current Assets	$ 257,249	$ 246,592
#Fixed assets	172,787	171,895
Other assets	15,065	13,534
Intangibles	111,667	114,397
Total Assets	$ 556,768	$ 546,418

Liabilities
(000's)

Long-term debt, curr.	$ 1,679	$ 2,662
Short-term debt	8,200	—
Accts. payable	90,451	53,527
Accrued payroll	7,404	7,416
Payable to affil.	249	4,789
Accrued interest	8,963	9,295
Other accruals	11,071	11,866
Curr. Liabilities	$ 128,017	$ 89,555
Long-term debt	295,752	297,156
Oblig. under cap. leases	46,706	45,195
Other liabilities	215	709
Redeem. preferred stock	—	10,300
+Common stock	18,694	17,250
Add. paid-in capital	143,575	135,616
Retained earnings (def.)	(76,191)	(49,363)
Total Liabilities & Shareholders' Equity	$ 556,768	$ 546,418

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

Sales to Inventories	3.03	2.91
Debt to Equity	3.44	3.33
Working Capital	$ 129,232,000	$ 157,037,000
Current Ratio	2.01	2.75
Shareholders' Equity	$ 86,078,000	$ 103,503,000

Payless Cashways, Inc.

2301 Main
P.O. Box 466
Kansas City, Missouri 64141-0466
(816) 471-5500

Officers: David Stanley, chairman & chief executive officer; Larry P. Kunz, president & chief operating officer; Richard E. Hemer, sr. v.p.-development; Stephen A. Lightstone, sr. v.p.-finance & chief financial officer; Dale C. Pond, sr. v.p.-marketing & merchandising; Stanely K. Boyd, sr. v.p.-store operations; Michael H. Didier, v.p.-facility development; Susan Stanton, sr. v.p.-administration/corporate planning; David O'Halloran, sr. v.p.-information systems & services; John Woodfill, v.p. & treasurer; Jean Warren, asst. treasurer; Linda J. French, general counsel & secretary; James A. Bryan, v.p.-distribution & transportation; Bradley J. Talley, v.p.-mgmt. info. systems; James M. Lavender, v.p.-merchandising; James C. Neustadt, v.p.-advertising; John Fischer, regional v.p.; Michael T. Largent, regional v.p.; Roger L. Weverka, regional v.p.; Kristan R. Maynard, regional v.p..

Directors: J. Stanley Covey, David Stanley, F. John Roost, Edward C. Thompson, John D. Dienes, Ralph Strangis, Richard E. Hemer, Harold Cohen, Larry P. Kunz, Gary D. Rose, Stephen M. Wolf.

Business Activities: Full-line building materials specialty retailer concentrating its sales efforts on the do-it-yourself market. At 1987 year-end, the Company operated Payless Cashways, Furrow, Lumberjack, Hugh M. Woods, Somerville Lumber, and Knox Lumber building material stores in 23 Midwestern, Southwestern, New England, and Pacific Coast states.

Subsidiaries:

Somerville Lumber and Supply Co., Inc.
Boston, Massachusetts

Knox Home Centers, Inc.
St. Paul, Minnesota
Operates building materials retail stores in Minnesota, Montana, North Dakota, and South Dakota.

Transfer Agent(s):

Norwest Bank Des Moines, N.A.
Des Moines, Iowa

Mellon Securities Trust Company
New York, New York

Norwest Bank Minneapolis, N.A.
Minneapolis, Minnesota

Stock Exchange(s): New York

Ticker Symbol: PCI

Number of Stores (at fiscal year end)

1987	194	1984	157
1986	181	1983	115
1985	179		

Sales & Earnings

	Net Sales #	Net Income
1987	$ 1,770,189,000	$ 28,101,000
1986	1,527,729,000	42,352,000
1985	1,389,735,000	38,086,000
1984	1,175,583,000	37,116,000
1983	1,006,795,000	40,635,000

	No. of Com. Shares ‡	Earn. per Share ‡
1987	34,588,000	$ 0.81
1986	34,646,000	1.22
1985	34,101,000	1.12
1984	32,333,000	1.15
1983	32,252,000	1.26

Includes other income.
‡ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1987	$ 0.16	—	—
1986	0.16	—	—
1985	0.16	—	—
1984	0.16	—	—
1983	0.12	—	2-for-1

‡ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	$ 379,350,000	$ 10.97
1986	369,818,000	10.67
1985	332,941,000	9.76
1984	257,235,000	7.96
1983	231,127,000 +	7.17

+ After allowing for preferred stock at par value.
‡ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Income Account
(000's)

Year ended	11/28/87	11/29/86
Net sales	$ 1,768,180	$ 1,525,648
Other income	2,009	2,081
Total income	$ 1,770,189	$ 1,527,729
Cost of sales	1,225,264	1,041,678
Expenses	415,060	399,223
Depreciation & amortization	35,826	29,453
Interest expense	17,280	15,019
Speical charges	24,267	—
Inc. bef. taxes	$ 52,492	$ 82,356
Income taxes	24,391	40,004
Net Income	$ 28,101	$ 42,352

Payless Cashways, Inc.

Assets
(000's)

As of	11/28/87	11/29/86
Cash & cash equiv.	$ 11,317	$ 14,864
Accts. receiv., net	12,397	8,494
*Inventories	309,007	275,849
Prepaid & other assets	13,090	10,468
Deferred inc. taxes	4,873	—
Current Assets	$ 350,684	$ 309,675
#Fixed assets	425,179	360,826
Other assets	39,332	37,224
Total Assets	$ 815,195	$ 707,725

Liabilities
(000's)

Bank advance	$ 44,000	$ 8,000
Long-term debt, curr.	5,145	6,854
Accts. payable	101,319	101,915
Accruals	43,189	29,159
Accrued payroll	18,344	17,356
Income taxes	—	501
Other taxes	13,792	11,872
Payroll taxes	2,117	2,308
Curr. Liabilities	$ 227,906	$ 177,965
Long-term debt	179,548	132,424
Deferred inc. taxes	28,391	27,518
+Common stock	17,325	17,323
Add. paid-in capital	104,030	103,969
Retained earnings	271,083	248,526
Treasury stock	(13,088)	—
Total Liabilities & Shareholders' Equity	$ 815,195	$ 707,725

* At lower of cost (LIFO and FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	2.97	5.40
%Net Income to Sales	1.59	2.78
%Net Income to Equity	7.41	11.45
Sales to Inventories	5.72	5.53
Debt to Equity	0.47	0.36
Working Capital	$ 122,778,000	$ 131,710,000
Current Ratio	1.54	1.74
Shareholders' Equity	$ 379,350,000	$ 369,818,000

Paysaver Catalog/Showrooms, Inc.

98 Lower Westfield Road
Holyoke., Massachusetts 01040-2712
(413) 536-4500

Officers: Mortimer A. Polep, chairman of the board & treasurer; Charles L. Polep, president; James A. Polep, sr. v.p.; William A. Randall, v.p.; Odo Palazzi, v.p.; Anne Polep, v.p.; Gerald Shible, v.p.; Stephen Peskin, v.p.; David A. Shrair, secretary.

Directors: Mortimer A. Polep, Charles L. Polep, James Polep, Stephen T. Peskin.

Areas of Work: Operates four catalog/showrooms in Western Massachusetts selling jewelry, gifts, photo equipment, stereo components, small appliances, luggage, gifts, toys and home computers. The Company has a limited mail order service and handles limited industrial and bank promotions as well as some wholesale sales.

Transfer Agent(s):

Registrar and Transfer Company
10 Commerce Drive
Cranford, New Jersey 07016

Stock Exchange(s): Boston

Ticker Symbol: PCS

Number of Stores: (at fiscal year end)

1988	4	1985	5
1987	4	1984	5
1986	5		

Sales & Earnings

	Net Sales +	Net Income †
1988	$ 16,914,921	$ 139,793
1987	19,655,306	(666,749)
1986	17,805,300	(297,472)
1985	15,667,611	(34,947)
1984	13,951,185	116,628

	No. of Com. Shares	Earn. per Share # †
1988	1,418,850	$ 0.10
1987	1,418,850	—
1986	1,419,450	—
1985	1,423,650	—
1984	1,425,150	0.08

(Loss)
+ Of continuing operations only.
† Including extraordinary gains of $52,074 ($0.04 per share) in 1986 and $56,006 ($0.04 per share) in 1985.
# Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share #
1988	$ 2,058,439	$ 1.45
1987	1,918,646	1.35
1986	2,186,370	1.82
1985	2,888,042	2.03
1984	2,924,208	2.05

Based on the weighted average number of shares outstanding.

Income Account *

Year ended	2/27/88	2/28/87
Net sales	$ 16,914,921	$ 19,655,306
Cost of sales	12,432,441	14,757,359
Expenses	4,288,059	4,854,848
Interest expense	239,223	263,657
Lease buyout income	—	(109,873)
Inventory adjust.	—	614,540
Interest income	—	(25)
Loss before taxes	$ (44,804)	$ (725,200)
Income taxes (credit)	8,458	(58,451)
Cum. effect of accntg. change	(193,055)	—
Net Income (Loss)	$ 139,793	$ (666,749)

* Included in Costs and Expenses, Depreciation and Amortization: $137,681 in 1988 and $163,627 in 1987.

Assets

As of	2/27/88	2/28/87
Cash	$ 67,885	$ 31,272
Accts. receiv., net	357,388	368,539
*Inventories	5,059,879	5,862,590
Prepaid expenses	233,874	110,801
Current Assets	$ 5,719,026	$ 6,373,202
#Fixed assets	487,225	586,482
Deferred legal fees	5,889	6,221
Total Assets	$ 6,212,140	$ 6,965,905

Liabilities

Notes payable	$ 2,109,778	$ 2,714,823
Accts. payable & accruals	1,789,083	1,848,403
Inc. taxes payable	7,191	—
Other taxes	31,168	7,407
Curr. Liabilities	$ 3,937,220	$ 4,570,633
Long-term debt	216,481	476,626
+Common stock	52,000	52,000
Add. paid-in capital	889,738	889,738
Retained earnings	1,178,450	1,038,657
Treasury stock	(61,749)	(61,749)
Total Liabilities & Shareholders' Equity	$ 6,212,140	$ 6,965,905

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.03 1/3 par value.

Statistical Summary

%Net Income to Sales	0.83	—
%Net Income to Equity	6.79	—
Sales to Inventories	3.34	3.35
Debt to Equity	1.13	1.66
Working Capital	$ 1,781,806	$ 1,802,569
Current Ratio	1.45	1.39
Shareholders' Equity	$ 2,058,439	$ 1,918,646

Penn Traffic Company

319 Washington Street
Johnstown, Pennsylvania 15901
(814) 536-4411

(53%-owned by Riverside Acquisition Company, Limited Partnership.)

Officers: Gary D. Hirsch, chairman; Guido Malacarne, president & chief executive officer; Robert A. Allen, vice president & division president; Raymond J. Heath, vice president & division president; Richard P. Reading, vice president & division president; John M. Kriak, v.p., secretary & treasurer; John F. Stewart, controller, asst. secretary & asst. treasurer.

Directors: Guido Malacarne, Gary D. Hirsch, Eugene A. DePalma, Richard D. Segal.

Areas of Work: Operates two supermarket companies. The Riverside Division operates supermarkets under the Riverside Markets, Foods and U-Save Markets names. Quality Markets, Inc., a wholly-owned subsidiary, operates supermarkets under the name Quality Markets. Supermarkets are located in central and northwestern Pennsylvania and Southwestern New York. Also is a wholesaler to 50 independently owned and operated markets, which operate under the Markets and Bi-Lo markets, and operates a dairy business.

Divisions and Subsidiaries:

Sani-Dairy Division
Johnstown, Pennsylvania
Processes and distributes dairy products.

Riverside Supermarket Division
DuBois, Pennsylvania

Quality Markets, Inc.
101 Jackson Avenue N. E.
Jamestown, New York 14701
(716) 664-6010

Transfer Agent(s):

Pittsburgh National Bank
Pittsburgh, Pennsylvania

Stock Exchange(s): American

Ticker Symbol: PNF

Number of Stores: (at fiscal year end)

1988	63	1985	56
1987	64	1984	75
1986	50		

Sales & Earnings

	Net Sales ‡	Net Income
1988	$ 625,208,000	$ 616,000
1987	547,991,000	7,300,000
1986	510,479,000	6,567,000
1985	541,765,000	3,852,000
1984	518,898,000	6,402,000

	No. of Com. Shares #	Earn. per Share #
1988	2,636,700	$ 0.06
1987	4,148,967	1.76
1986	4,100,852	1.59
1985	4,214,228	0.91
1984	4,203,442	1.52

‡ Including leased departments and service fees.
# Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Revenues by Line of Business

	1988	1987
Supermarkets	$ 592,422,000	$ 514,898,000
Dairy	48,181,000	46,369,000
Unallocated items	(15,395,000)	(13,276,000)
Total	$ 625,208,000	$ 547,991

Common Stock

	Cash # Dividend	Stock Dividend	Stock Split
1988	$ —	—	—
1987	0.66	—	2-for-1
1986	0.60	—	—
1985	0.60	—	—
1984	0.60	—	—

Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share #
1988	$ 8,682,000	$ 3.29
1987	62,321,000	15.02
1986	57,903,000	13.98
1985	54,400,000	12.91
1984	53,571,000	12.74

Adjusted to reflect stock split.

Income Account * (000's)

Year ended	1/30/88	1/31/87
Net sales	$ 625,208	$ 547,991
Other income	9,138	7,991
Total income	$ 634,346	$ 555,982
Cost of sales	509,549	448,815
Expenses	100,315	87,380
Interest expense	17,461	3,580
Prov. for store closings	—	83
Proxy expense	—	2,204
Acq. fin. costs	4,060	—
Income before taxes	$ 2,961	$ 13,920
Income taxes	2,345	6,620
Net Income	$ 616	$ 7,300

* Included in Costs and Expenses, Depreciation and Amortization: $11,267,000 in 1987 and $11,265,000 in 1986.

Assets (000's)

As of	1/30/88	1/31/87
Cash	$ 4,756	$ 9,123
Accts. receiv., net	8,164	8,929
°Inventories	47,852	32,859
Prepaid expenses	1,087	1,512
Current Assets	$ 61,859	$ 52,423
Marketable secur. & bonds	219	148
†Oblig. under cap. lease	26,837	15,731
#Fixed assets	114,694	73,468
Defer. charges	11,619	4,879
Rest. debt funds	400	8,101
Total Assets	$ 215,628	$ 154,750

Liabilities (000's)

Notes payable	$ 178	$ 280
Mortgage notes payable, curr.	7,677	2,967
Current portion of oblig. under cap. leases	1,589	1,456
Accts. payable	25,983	20,452
Accruals	1,577	1,804
Accrued payroll	7,473	6,740
Taxes	1,940	1,713
Curr. Liabilities	$ 46,417	$ 35,412
Oblig. under cap. leases	21,583	18,436
Mortgage notes payable, non-curr.	127,536	30,888
Deferred inc. taxes	2,203	7,693
Other liab.	1,725	—
Redeem pref. stock	7,480	—
+Common stock	3,296	5,728
Add. paid.in capital	5,219	1,652
Retained earnings	167	58,095
Treasury stock	—	(3,154)
Total Liabilities & Shareholders' Equity	$ 215,628	$ 154,750

° At lower of cost (FIFO) or market. Supermarket inventories stated at LIFO.
Less accumulated depreciation.
† Less accumulated amortization.
+ $1.25 par value.

Statistical Summary

%Income bef. Taxes to Sales	0.47	2.54
%Net Income to Sales	0.10	1.33
%Net Income to Equity	7.10	11.71
Sales to Inventories	13.07	16.68
Debt to Equity	18.26	0.87
Working Capital	$ 15,442,000	$ 17,011,000
Current Ratio	1.33	1.48
Shareholders' Equity	$ 8,682,000	$ 62,321,000

J. C. Penney Company, Inc.

1301 Avenue of the Americas
New York, New York 10019
(212) 957-4321

Officers: William R. Howell, chairman of the board; Robert B. Gill, vice chairman; David F. Miller, vice chairman & chief operating officer-J. C. Penney stores & catalog; Thomas J. Lyons, exec. v.p.; A. Scott Frahlich, exec. v.p. & director- J. C. Penney Stores; W. Barger Tygarti, exec. v.p. & director-merchandising; Robert Capone, sr. v.p.-director of technical operations; Charles R. Lotter, sr. v.p., secretary & general counsel; Richard T. Erickson, sr. v.p., director of corporate personnel; Robert E. Northam, sr. v.p., chief financial officer; John A. Wells, sr. v.p., director of real estate & construction services; Robert O. Amick, controller; Charles L. Brown, director of auditing; James P. Bryant, director of corporate taxes; David V. Evans, director of systems and data processing; Donald A. McKay, treasurer; Joseph J. DeMelio, director of insurance; William R. Johnson, director of public affairs and company communications; Ted L. Spurlock, director of credit and consumer banking services; George M. Stone, director of government relations; Robert J. Keller, director of construction services; Michael T. Todres, director of distribution; C. Kenneth Ogg, director of operations, services and inventory management for J. C. Penney.

Directors: William M. Ellinghaus, William R. Howell, Boris Yavitz, Walter B. Wriston, Clifton C. Garvin, Jr., Donald V. Seibert, Vernon E. Jordan, Jr., Juanita M. Kreps, Jane C. Pfeiffer, Colby H. Chandler, Robert B. Gill, David B. Meeker, David F. Miller, Joseph D. Williams, George Nigh, M. Anthony Burns.

Business Activities: Operates a nationwide chain of department stores including catalog operations under the name J. C. Penney. Full line Penney stores sell lines of apparel, home and automotive merchandise; soft line Penney stores sell principally apparel and household textile merchandise. Also operates a chain of Thrift Drug and The Treasury Drug Center stores and conducts consumer financial services.

Subsidiaries:

J. C. Penney Properties, Inc.
J. C. Penney Financial Corporation
J. C. Penney Casualty Insurance Company
J. C. Penney Life Insurance Company
Great American Reserve Insurance Company (96.8% owned)
J. C. Penney Investors Services, Inc.
JCP Realty Inc.
J. C. Penney International Finance Corporation
J. C. Penney International, Inc.
J. C. Penney Overseas Finance N.V.
J. C. Penney National Bank

Transfer Agent(s):

J. C. Penney Company, Inc.
Securityholder Services
Pittsburgh Accounting Center
P.O. Box 407
Pittsburgh, Pennsylvania 15230

Registrar and Transfer Co.
61 Broadway, Room 1412
New York, New York 10006

Stock Exchange(s): New York, Brussels, Antwerp

Ticker Symbol: JCP

Number of Stores: (at fiscal year end)

	Penney Stores	Catalog Centers
1987	1,378	1,837
1986	1,403	1,825
1985	1,482	1,739
1984	1,570	1,810
1983	1,597	1,805

	Drug Stores	Belgian Stores
1987	407	52
1986	390	53
1985	374	53
1984	369	55
1983	359	58

Sales & Earnings

	Net Sales + (000's)	Net Income † (000's)
1987	$ 15,332,000	$ 608,000
1986	14,740,000	530,000
1985	13,747,000	397,000
1984	13,451,000	435,000
1983	12,078,000	467,000

J. C. Penney Company, Inc.

	No. of Com. Shares	Earn. per Share ‡ †
1987	148,000,000	$ 4.77
1986	150,000,000	3.53
1985	150,000,000	2.66
1984	150,000,000	2.90
1983	149,000,000	3.13

† Including extraord. loss of $52,000,000 ($0.69 per share) in 1986.
‡ Based on the average number of shares outstanding, adjusted to reflect stock split.
+ Of continuing operations only.

Revenues by Line of Business
(000's)

	1987	1986
J. C. Penney Stores	$ 13,428,000	$ 12,888,000
Catalog	2,585,000	2,332,000
Other retail oper.	1,352,000	1,350,000
Intercompany elim.	(2,033,000)	(1,830,000)
Total	$ 15,332,000	$ 14,740,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1987	$ 1.48	—	2-for-1
1986	1.24	—	—
1985	1.18	—	—
1984	1.18	—	—
1983	1.08	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity (000's)	Equity Per Share +
1987	$ 4,173,000	$ 30.15
1986	4,340,000	29.00
1985	4,051,000	27.16
1984	3,812,000	25.63
1983	3,559,000	23.97

+ Adjusted to reflect stock split.

Income Account *
(000's)

Year ended	1/30/88	1/27/87
Net sales	$ 15,332,000	$ 14,740,000
Cost of sales	10,152,000	9,786,000
Expenses	3,783,000	3,679,000
Interest expense	300,000	350,000
Nonrecurring items	172,000	—
Income bef. taxes	$ 925,000	$ 925,000
Income taxes	356,000	428,000
Inc. of unconsol. subsid.	(39,000)	(33,000)
Net Income	$ 608,000	$ 530,000
Extraord. loss	—	(52,000)
Net Income & extraord. loss	$ 608,000	$ 478,000

* Included in Costs and Expenses, Depreciation and Amortization: $241,000,000 in 1987 and $229,000,000 in 1986.

Assets
(000's)

As of	1/30/88	1/27/87
Cash	$ 112,000	$ 639,000
Accts. receiv., net	4,536,000	4,614,000
*Inventories	2,350,000	2,168,000
Prepaid expenses	132,000	111,000
Current Assets	$ 7,130,000	$ 7,532,000
Investments	381,000	406,000
#Fixed assets	2,910,000	2,919,000
Other assets	421,000	331,000
Total Assets	$ 10,842,000	$ 11,188,000

Liabilities
(000's)

Accts. payable and accruals	$ 1,595,000	$ 1,489,000
Short-term debt	955,000	597,000
Long-term debt, curr.	—	484,000
Deferred taxes	136,000	142,000
Curr. liabilities	$ 2,686,000	$ 2,712,000
Long-term debt	2,608,000	2,655,000
Deferred credits	1,375,000	1,481,000
+Common stock	960,000	961,000
Reinvested earnings	3,213,000	3,379,000
Total Liabilities & Shareholders' Equity	$ 10,842,000	$ 11,188,000

* At lower of cost (LIFO) or market.
# Less accumulated depreciation.
+ $0.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	6.03	6.28
%Net Income to Sales	3.97	3.24
%Net Income to Equity	14.57	11.01
Sales to Inventories	6.52	6.80
Debt to Equity	0.85	0.86
Working Capital	$ 4,444,000,000	$ 4,820,000,000
Current Ratio	2.65	2.78
Shareholders' Equity	$ 4,173,000,000	$ 4,340,000,000

Pennington's Stores Limited

40 Samor Road
Toronto, Ontario M6A 1J6, Canada
(416) 789-7781

Officers: William Drevnig, chairman emeritus; Sol Armel, president and chief exec. officer; Jack Sherman, v.p.; Emanuel Asher, sr. v.p.; William Farewell, v.p.-finance & treasurer; Gerald McCulloch, v.p.-merchandising, Canada; Martin Kovnots, secretary.

Directors: Sol Armel, Donald Carr, William Drevnig, William Biggar, Jack Sherman, Mark Vansittart, William Farewell, Emanuel Asher, Jack Gwartz, Theodore Sherman, .

Business Activities: Operates a chain of stores selling large-sized women's apparel in Canada and eight states in the U.S.

Transfer Agent(s):

The Canada Trust Company
110 Yonge Street
Toronto M5C 1T4, Canada

Stock Exchange(s): Toronto

Ticker Symbol: PNS

Number of Stores: (at fiscal year end)

1987	179	1984	144
1986	163	1983	128
1985	155		

Sales & Earnings

	Net Sales	Net Income
1988	$ 96,202,926	$ 4,847,269
1987	96,166,659	7,566,891
1986	86,171,452	6,885,434
1985	72,289,548	4,720,595
1984	60,291,594	3,913,312

	No. of Com. Shares	Earn. per Share +
1988	4,133,000	$ 1.17
1987	4,133,000	1.83
1986	4,131,000	1.67
1985	4,102,000	1.13
1984	4,075,000	0.91

+ Based on the weighted average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	$ 0.40	—	—
1987	1.31	—	—
1986	0.20	—	—
1985	0.20	—	—
1984	0.20	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1988	$ 34,454,467	$ 8.34
1987	31,260,398	7.56
1986	29,096,597	7.04
1985	22,887,988	5.58
1984	21,275,782	5.22

Income Account

Year ended	1/30/88	1/31/87
Net sales	$ 96,202,926	$ 96,166,659
Cost of sales & expenses	84,758,861	79,121,444
Depreciation	2,128,889	1,891,706
Invest. income	(245,093)	(510,370)
Income before taxes	$ 9,560,269	$ 15,663,879
Income taxes	4,713,000	8,096,988
Net Income	$ 4,847,269	$ 7,566,891

Assets

As of	1/30/88	1/31/87
Cash	$ 711,940	$ 12,135,916
*Inventories	17,067,304	16,231,409
Income taxes recoverable	1,998,206	—
Prepaid expenses sundry assets	1,391,195	1,273,127
Current Assets	$ 21,168,745	$ 29,640,452
#Fixed assets	22,012,885	11,419,542
Intangibles	947,089	947,089
Total Assets	$ 44,128,719	$ 42,007,083

Liabilities

Accts. payable & accruals	$ 9,309,256	$ 8,999,550
Income taxes	—	1,615,123
Curr. Liabilities	$ 9,309,256	$ 10,614,673
Deferred inc. taxes	364,996	132,012
+Common stock	343,675	343,675
Retained earnings	34,110,792	30,916,723
Total Liabilities & Shareholders' Equity	$ 44,128,719	$ 42,007,083

* At lower of average cost or market (net realizable value, less normal profit margin.)
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	9.94	16.29
%Net Income to Sales	5.04	7.87
%Net Income to Equity	14.07	24.21
Sales to Inventories	5.64	5.92
Working Capital	$ 11,859,489	$ 19,025,779
Current Ratio	2.27	2.79
Shareholders' Equity	$ 34,454,467	$ 34,454,467

Peoples Jewellers Limited

1440 Don Mills Road
Don Mills, Ontario M3B 3M1, Canada
(416) 441-1515

Officers: Bertrand Gerstein, chairman of the board; Marvin Gerstein, vice chairman; Irving R. Gerstein, president & chief executive officer; Richard A. Field, v.p.-real estate; Roger P. Picotte, v.p.-store operations; Kenneth N. Nevison, v.p.-store operations, Peoples Division; Charles F. Gill, sr. v.p.-finance & administration & secretary; J. Richard Blickstead, v.p.-merchandising & operations; Robert H. Berkovitz, v.p.-finance; D. Neil Buechler, v.p.-merchandising, People's Division; Michael B. Carnahan, v.p.-store operations, Mappins Division; Michael M. Clarke, v.p.-merchandising, Mappins Division; Walter E. Thom, v.p.-information services.

Directors: Bertrand Gerstein, Irving R. Gerstein, Marvin Gerstein, Sydney M. Hermant, Henry N. R. Jackman, James Gillies, Charles F. Gill, Nicholas I. White, Howard P. Berkowitz, Leighton W. McCarthy, Anna M. Porter, Michael G. Shulman.

Business Activities: Operates a chain of jewelry stores throughout Canada. Stores operate under the names Peoples Jewellers, Mappins, Gordon Jewellers and MacKenzie's.

Subsidiaries:

Zale Corporation (50% owned)
Irving, Texas
Operates 1,262 retail jewelry stores and leased departments in all 50 states, Guam, and Puerto Rico.

Transfer Agent(s):

Guaranty Trust Company of Canada
88 University Avenue
Toronto, Ontario, Canada

Stock Exchange(s): Toronto

Ticker Symbol: PCJT (Toronto), PCJQ (Toronto, Class A)

Number of Stores: * (at fiscal year end)

1987	286	1984	309
1986	296	1983	299
1985	302		

* Does not include Zale Corporation stores.

Sales & Earnings†

	Net Sales	Net Income +
1988*	$ 131,612,000	$ 21,288,000
1987	195,396,000	(18,066,000)
1986	184,837,000	3,036,000
1985	177,736,000	7,738,000
1984	175,130,000	9,412,000

	No. of Com. Shares	Earn. per Share ‡ +
1988*	9,819,726	$ 2.03
1987	10,159,126	—
1986	9,653,401	0.35
1985	8,151,701	1.08
1984	6,730,501	1.35

(Loss)
* 7 months.
† In Canadian dollars.
+ Including extraordinary gains of $4,400,000 ($0.42 per share) in 1988 and $1,000,000 ($0.11 per share) in 1986.
‡ Based on the weighted average number of Class A and common shares outstanding combined.

Common Stock

	Cash Dividend †	Stock Dividend	Stock Split
1988	$ 0.30	—	—
1987	0.30	—	—
1986	0.30	—	—
1985	0.30	—	—
1984	0.15	—	—

† In Canadian dollars.

Common Stock Equity†

	Total Equity ‡	Equity Per Share
1988	$ 121,635,000	$ 12.20
1987	111,075,000	11.71
1986	129,807,000	13.67
1985	110,159,000	13.39
1984	90,133,000	13.21

† In Canadian dollars.
‡ After allowing for preferred stock at stated value.

Income Account† (000's)

Year ended	3/31/88 (7 months)	8/31/87
Net sales	$ 131,412	$ 195,396
Cost of sales & exp.	113,021	174,953
Depreciation & amortization	3,252	5,133
Interest expense	2,029	2,806
Income before taxes	$ 13,110	$ 12,504
Income taxes	6,900	6,600
Eq. in earn. of Zale Corp.	(10,678)	23,970
Net Income (Loss)	$ 16,888	$ (18,066)
Extraord. gain	4,400	—
Net Income (Loss) & extraord. gain	$ 21,288	$ (18,066)

† In Canadian dollars.

Assets† (000's)

As of	3/31/88	8/31/87
Cash	$ 120	$ 154
Accts. receiv., net	938	4,863
*Inventories	132,029	121,716
Prepaid expenses	2,778	2,508
Current Assets	$ 135,865	$ 129,241
Investments	65,974	65,169
Loan to employees	6,942	7,100
#Fixed assets	37,646	36,877
Other assets	4,167	3,857
Total Assets	$ 250,594	$ 242,244

Liabilities (000's)

Bank indebtedness	$ 39,551	$ 39,531
Accts. payable	16,936	18,647
Income & other taxes	1,445	1,791
Long-term debt, curr.	4,419	78
Curr. Liabilities	$ 62,351	$ 60,047
Long-term debt	60,000	64,386
+Preferred stock, Series B	1,533	1,617
+Preferred stock, Series C	5,075	5,119
+Class A common stock	81,135	84,213
+Common stock	82	82
Retained earnings	38,172	18,077
Currency trans. adj.	2,246	8,703
Total Liabilities & Shareholders' Equity	$ 250,594	$ 242,244

† In Canadian dollars.
* At lower of cost (FIFO) or net realizable value.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

% Income bef. Taxes to Sales	9.98	6.40
% Net Income to Sales	12.85	—
% Net Income to Equity	13.17	—
Sales to Inventories	1.00	1.61
Debt to Equity	0.81	0.88
Working Capital	$ 73,514,000	$ 69,194,000
Current Ratio	2.18	2.15
Shareholders' Equity	$ 128,243,000	$ 117,811,000

The Pep Boys-Manny, Moe & Jack

3111 Allegheny Avenue
Philadelphia, Pennsylvania 19132
(215) 229-9000

Officers: Benjamin Strauss, chairman & chief executive officer; Mitchell G. Leibovitz, president & chief operating officer; Scott R. Isdaner, exec. v.p.; Philip Adcock, v.p.-western store operations; M. James Bryce, sr. v.p.-store operations; Michael J. Holden, sr. v.p.-finance, treasurer & secretary; Frederick A. Stampone, sr. v.p.-administration; Kenneth R. Naish, v.p.-southwestern store operations; Samuel W. McGarvey, sr. v.p.-merchandising; Thomas R. McSorley, v.p.-southeastern store operations; Anne W. Thompson, v.p.-marketing; Mathew J. Storey, v.p.-eastern store operations; David E. Bird, v.p.-western real estate and construction; Joseph A. Cirelli, v.p.-eastern real estate and construction; Kenneth J. Hite, v.p.-management information systems; Stuart M. Rosenfeld, v.p.-distribution; Don L. Casey, v.p.-merchandising; Wilbert B. Dubin, v.p.-merchandising; Steven L. Needham, v.p.-merchandising; Joseph S. Risch, asst. v.p.-merchandising.

Directors: Edward H. Rosen, Lester Rosenfeld, Robert P. Strauss, Benjamin Strauss, Walter G. Arader, Henry A. Gladstone, Bernard J. Korman, Mitchell G. Leibovitz, David V. Wachs, Scott R. Isdaner, Lennox K. Black.

Business Activities: Operates auto supply and accessory stores in Pennsylvania, New Jersey, Delaware, Maryland, Virginia, California, the District of Columbia, Arizona, New Mexico, Georgia, Texas and Nevada.

Transfer Agent(s):

The Philadelphia National Bank
Philadelphia, Pennsylvania

Stock Exchange(s): New York

Ticker Symbol: PBY

Number of Stores: (at fiscal year end)

1988	207	1985	135
1987	177	1984	124
1986	159		

Sales & Earnings

	Net Sales	Net Income
1988	$ 553,764,000	$ 34,342,000
1987	485,899,000	28,148,000
1986	388,914,000	21,100,000
1985	348,350,000	18,340,000
1984	305,835,000	15,542,000

	No. of Com. Shares	Earn. per Share +
1988	$ 54,569,420	$ 0.62
1987	18,075,496	0.52
1986	15,704,644	0.43
1985	7,831,084	0.39
1984	7,824,984	0.33

+ Adjusted to reflect stock splits.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1988	$ 0.78	—	3-for-1
1987	0.72	—	—
1986	0.065	—	2-for-1
1985	0.57	—	—
1984	0.048	—	—

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share +
1988	$ 237,706,000	$ 4.36
1987	206,178,000	3.80
1986	130,439,000	2.77
1985	111,977,000	2.38
1984	96,226,000	2.05

+ Adjusted to reflect stock splits.

Income Account

Year ended Jan. 31	1988	1987
Net sales	$ 553,764,000	$ 485,899,000
Other income	7,670,000	4,736,000
Total income	$ 561,434,000	$ 490,635,000
Cost of sales	348,567,000	312,649,000
Expenses	133,896,000	109,753,000
Depreciation & amortization	13,233,000	10,478,000
Interest expense	5,912,000	2,843,000
Income before taxes	$ 59,826,000	$ 55,412,000
Income taxes	25,484,000	27,264,000
Net Income	$ 34,342,000	$ 28,148,000

Assets

As of Jan. 31	1988	1987
Cash	$ 2,765,000	$ 6,295,000
Marketable securities	16,427,000	65,578,000
Accts. receiv., net	3,326,000	2,868,000
*Inventories	96,440,070	73,552,000
Prepaid expenses & other	3,656,000	2,803,000
Current Assets	$ 122,614,000	$ 149,096,000
Investments & advances	5,157,000	3,467,000
#Fixed assets	310,811,000	226,706,000
Marketable securities	31,170,000	—
Total Assets	$ 469,752,000	$ 379,269,000

Liabilities

Long-term debt, curr.	$ 1,195,000	$ 1,235,000
Accts. payable	47,464,000	36,377,000
Accruals	13,930,000	11,650,000
Inc. taxes payable	289,000	1,774,000
Short-term borrowings	9,000,000	—
Payable to banks	4,151,000	7,761,000
Curr. Liabilities	$ 76,049,000	$ 58,797,000
Long-term debt	63,143,000	25,988,000
Defer. inc. taxes	17,849,000	13,406,000
Conv. subord. debentures	75,000,000	75,000,000
+Common stock	54,569,000	18,076,000
Add. paid-in capital	27,280,000	61,428,000
Retained earnings	156,755,000	126,674,000
Treasury stock	(896,000)	—
Total Liabilities & Shareholders' Equity	$ 469,752,000	$ 379,269,000

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	10.80	11.40
%Net Income to Sales	6.20	5.79
%Net Income to Equity	14.45	13.65
Sales to Inventories	5.74	6.61
Debt to Equity	0.31	0.13
Working Capital	$ 46,565,000	$ 90,299,000
Current Ratio	1.61	2.54
Shareholders' Equity	$ 237,706,000	$ 206,178,000

Perry Drug Stores, Inc.

5400 Perry Drive
P.O. Box 1957
Pontiac, Michigan 48056
(313) 334-1300

Officers: Jack A. Robinson, chairman of the board & chief executive officer; David Schwartz, president & chief operating officer; Alvin Wander, exec. v.p. & chief financial officer; Frederick C. Seeley, sr. v.p.-real estate; Allen J. Deniro, president-Health Care Division; Daniel C. Klaiber, v.p.-human resources; Robert A. Berlow, v.p., secretary & gen. counsel; Berl Falbaum, v.p.-corporate communications; Dennis W. Schack, treasurer; Robert A. Shapiro, v.p.-professional affairs; Gene Swink, v.p.-distribution; Paul H. Goldsmith, v.p.-real estate, facilities; Laura C. Kendall, v.p.-finance; Joseph P. McCabe, v.p.-loss prevention; James H. Fowler, asst. v.p.-special projects; William M. Locey, asst. v.p.-distribution; William R. Pfleger, asst. v.p.-internal audit; Gary M. Stein, asst. v.p.-real estate, property management; William S. Stickel, asst. treasurer; Marsha Katz Eisenberg, asst. secretary & asst. general counsel; Gary J. Allen, group v.p.-Drugstore Operations; Samuel R. Boulton, group v.p.-Drugstore Operations.

Directors: Jack A. Robinson, chairman; Alvin Wander, Terence E. Adderley, Thomas O. Fox, Samuel Frankel, John A. Bacon, Jr., Frederick C. Seeley, Claude R. Martin, Jr., Walter J. McCarthy, Jr., David Schwartz.

Business Activities: Operates a chain of retail drug stores and health care centers in the Midwest. Also supplies equipment and surgical products to hospitals and physicians.

Transfer Agent(s):

National Bank of Detroit
Detroit, Michigan

Stock Exchange(s): New York

Ticker Symbol: PDS

Number of Stores: * (at fiscal year end)

1987	478	1984	256
1986	437	1983	183
1985	372		

* Includes a chain of auto parts stores, which was sold in 1988.

Sales & Earnings

	Net Sales	Net Income
1987	$ 725,743,000	$ (7,881,000)
1986	647,987,000	5,878,000
1985	521,615,352	9,575,229
1984	371,890,521	7,649,998
1983	285,502,457	4,545,220

	No. of Com. Shares ‡	Earn. per Share ‡
1987	10,031,000	$ —
1986	9,985,000	0.59
1985	9,809,187	0.98
1984	8,470,669	0.90
1983	6,716,892	0.68

(Loss)
‡ Based on the weighted average number of common shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1987	$ 0.22	—	—
1986	0.22	—	—
1985	0.19	—	3-for-2
1984	0.16	—	—
1983	0.13	—	3-for-2

‡ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	$ 71,936,000	$ 7.17
1986	81,570,000	8.17
1985	76,782,903	7.79
1984	67,202,099	7.07
1983	53,707,437	6.51

‡ Adjusted to reflect stock splits.

Income Account *

Year ended Oct. 31	1987	1986
Drugstore	$ 549,908,000	$ 486,988,000
Automotive	154,602,000	145,485,000
Other	21,233,000	15,514,000
Total income	$ 725,743,000	$ 647,987,000
Cost of sales & expenses	718,987,000	629,202,000
Interest expense	13,663,000	10,074,000
Unusual costs & expenses	7,962,000	—
Income (loss) before taxes	$ (14,869,000)	$ 8,711,000
Income taxes (credit)	(6,988,000)	2,833,000
Net Income	$ (7,881,000)	$ 5,878,000

* Included in Costs and Expenses, Depreciation and Amortization: $9,694,000 in 1987 and $8,450,000 in 1986.

Assets

As of Oct. 31	1987	1986
Cash	$ 8,538,000	$ 6,735,000
Accts. receiv., net	28,993,000	22,291,000
*Inventories	173,326,000	146,049,000
Refund. inc. taxes	4,172,000	2,806,000
Prepaid expenses	6,729,000	6,493,000
Current Assets	$ 221,758,000	$ 184,374,000
#Fixed assets	86,833,000	85,423,000
Intangibles & other assets	36,590,000	31,946,000
Total Assets	$ 345,181,000	$ 301,743,000

Liabilities

Notes payable	$ 28,000,000	$ —
Long-term debt, curr.	17,317,000	1,551,000
Accts. payable	90,532,000	68,894,000
Income taxes & other accruals	14,412,000	13,776,000
Curr. Liabilities	$ 150,261,000	$ 85,221,000
Long-term debt	113,972,000	122,305,000
Oblig. under cap. leases	4,154,000	4,373,000
Deferred inc. taxes	5,758,000	8,274,000
+Common stock	502,000	499,000
Add. paid-in capital	43,050,000	42,602,000
Retained earnings	28,384,000	38,469,000
Total Liabilities & Shareholders' Equity	$ 345,181,000	$ 301,743,000

° At lower of cost (primarily LIFO) or market.
Less accumulated depreciation.
+ $0.05 par value.

Statistical Summary

%Income bef. Taxes to Revenues	—	1.34
%Net Income to Revenues	—	0.91
%Net Income to Equity	—	7.21
Debt to Equity	2.26	1.57
Working Capital	$ 71,497,000	$ 102,388,000
Current Ratio	1.48	2.24
Shareholders' Equity	$ 71,936,000	$ 81,570,000

Petrie Stores Corporation

70 Enterprise Avenue
Secaucus, New Jersey 07094
(201) 866-3660

Officers: Milton J. Petrie, chairman of the board, president & chief exec. officer; Hilda Kirschbaum Gerstein, vice chairman; Dorothy Pink Stern, sr. v.p.-merchandising; Jean Roberts, sr. v.p.-store operations; Jay Galin, sr. v.p. & pres.-G & G Shops, Inc.; Peter A. Left, sr. v.p., secretary & chief financial officer; Alan Laufgraben, sr. v.p. & pres.-"Plus" Size Stores; Nancy Barrett, sr. v.p.; Edward Citro, sr. v.p.; Beverly Evans, sr. v.p.; S. Betty Kennedy, sr. v.p.; Daniel Maresca, sr. v.p.; Samuel David Polese, sr. v.p.; Dorothy Spencer, sr. v.p.; Umberto Gallo, sr. v.p.; Robert Lind, sr. v.p.; Murray Robins, sr. v.p.; Robert Sandberg, sr. v.p.; Bernard Apple, sr. v.p.; Edward Milford, sr. v.p.; Thomas Reynolds, sr. v.p.; Patricia Tyner, sr. v.p.; Scott Galin, sr. v.p.; Ronald P. Leonetti, sr. v.p.; Matthew Miller, sr. v.p.; Barbara Clickenger, v.p.; Mary Ellen Colbert, v.p.; Ellen DeLosh, v.p.; Robert Donahue, v.p.; Robert Olszewski, v.p.; Ruth Parzen, v.p.; Phyllis Sicheri, v.p.; Judith Herman, v.p.; Barbara Tinkl, v.p.; Michelle Alexander, v.p.; Lydia Bay, v.p.; Pamela Beech, v.p.; Debra Citro, v.p.; Maureen Crowley, v.p.; Robert King, v.p.; Toni Schostak Kaye, v.p.; Joseph Savini, v.p.; Kathy Connolly Shea, v.p.; Lester Sokolower, v.p.; Ronald Swerdlow, v.p.; Melissa Whitehead, v.p.; Karen Williams, v.p.; Conrad Cichy, v.p.; Sharon Gottlieb, v.p.; James Hellman, v.p.; Irving King, v.p.; Victoria Komas, v.p.; Louis Mascolo, v.p.; Jean Ponder, v.p.; Milton Quinones, v.p.; Brigitte Krauss Reis, Jennifer Ridgely, v.p.; Emanuel Valenzuela, Angela Zimmer, v.p.; Michael J. Jackson, v.p. & controller.

Directors: Milton J. Petrie, chairman; Hilda Kirschbaum Gerstein, Jean Roberts, Dorothy Pink Stern, H. Fred Krimendahl, II, Jay Gatlin, Joseph H. Flom, Laurence A. Tisch.

Business Activities: Operates clothing stores in 48 states specializing in moderate-price apparel for teen, junior and contemporary miss customers. Stores are also located in the Virgin Island, Puerto Rico, and the District of Columbia. Stores operate under the names Petrie's, Marianne, Stuarts, G&G, Hartfield's, Winkleman's, Jean Nicole, Three Sisters, M. J. Carroll, and Rave.

Transfer Agent(s):

First Jersey National Bank
Jersey City, New Jersey

Stock Exchange(s): New York

Ticker Symbol: PST

Number of Stores: (at fiscal year end)

1987	1,474	1984	933
1986	1,345	1983	871
1985	1,360		

Sales & Earnings

	Net Sales	Net Income ‡
1987	$ 1,198,391,000	$ 73,691,000
1986	1,160,845,717	77,901,803
1985	951,105,659	54,643,000
1984	625,575,724	47,597,859
1983	566,682,198	45,442,062

	No. of Com. Shares #	Earn. per Share #‡
1987	46,766,000	$ 1.58
1986	42,977,486	1.81
1985	42,180,834	1.30
1984	41,621,930	1.14
1983	40,680,834	1.12

‡ Including extraordinary gain of $2,700,000 ($0.31 per share) in 1983.
# Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1987	$ 0.70	—	—
1986	0.70	—	2-for-1
1985	0.70	—	—
1984	0.70	—	—
1983	0.70	—	—

‡ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share †
1987	$ 517,758,000	$ 11.07
1986	476,714,523	11.09
1985	322,673,407	7.65
1984	297,556,987	7.15
1983	251,583,715	6.18

† Adjusted to reflect stock split.

Income Account °

Year ended Jan. 31	1987	1986
Net sales	$ 1,198,391,000	$ 1,160,845,717
Other income	11,630,000	8,652,136
Total income	$ 1,210,021,000	$ 1,169,497,853
Cost of sales	856,497,000	822,450,504
Expenses	230,677,000	210,015,810
Interest expense	38,383,000	31,961,115
Equity earnings	(38,111,000)	(28,696,379)
Income before taxes	$ 122,575,000	$ 133,766,803
Income taxes	48,884,000	55,865,000
Net Income	$ 73,691,000	$ 77,901,803

° Included in Costs and Expenses, Depreciation and Amortization: $43,165,000 in 1987 and $35,592,326 in 1986.

Assets

As of Jan. 31	1987	1986
Cash	$ 5,948,000	$ 1,962,493
Marketable securities	155,036,000	209,310,963
Accts. receiv., net	22,839,000	20,283,128
°Inventories	110,577,000	112,582,755
Prepaid expenses & other assets	2,023,000	2,102,646
Current Assets	$ 296,423,000	$ 346,241,985
#Fixed assets	325,125,000	257,993,010
Net assets acquired	110,182,000	113,122,477
Other assets	375,256,000	330,236,890
Total Assets	$ 1,106,986,000	$ 1,047,194,362

Liabilities

Notes payable & cap. lease oblig. curr.	171,000	153,805
Accts. payable	16,450,000	14,627,633
Accruals	32,980,000	27,980,559
Income taxes	8,525,000	12,531,696
Deferred inc. taxes	5,219,000	4,602,000
Curr. Liabilities	$ 63,345,000	$ 59,895,693
Oblig. under cap. lease	655,000	826,146
Deferred inc. taxes	30,323,000	34,768,000
Subord. exch. deben.	474,905,000	474,990,000
+Common stock	46,768,000	46,767,756
Add. paid-in caital	93,916,000	93,896,345
Retained earnings	377,249,000	336,293,921
Treasury stock	(175,000)	(243,499)
Total Liabilities & Shareholders Equity	$ 1,106,986,000	$ 1,047,194,362

° At lower of cost or market.
Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	10.23	11.52
%Net Income to Sales	6.15	6.71
%Net Income to Equity	14.23	16.34
Sales to Inventories	10.84	10.31
Working Capital	$ 233,078,000	$ 286,346,292
Current Ratio	4.68	5.78
Shareholders' Equity	$ 517,758,000	$ 476,714,523

Phillips-Van Heusen Corporation

1290 Avenue of the Americas
New York, New York 10104
(212) 541-5200

Officers: Lawrence S. Phillips, chairman; Bruce J. Klatsky, president; Irwin W. Winter, v.p. & chief financial officer; Michael Frenkel, v.p. & counsel; Pamela N. Hootkin, v.p., treasurer & secretary; Cynthia L. Tarantino, v.p. & controller; James J. Murphy, v.p.; Murray Weinberg, v.p.; Walter C. Zambrovitz, v.p..

Directors: Lawrence S. Phillips, chairman; Shirley Goodman Brown, Edward H. Cohen, Estelle Ellis, Bruce J. Klatsky, Bruce Maggin, Ellis E. Meredith, James J. Murphy, Steven L. Osterweis, William S. Scolnick, Peter J. Solomon, Irwin W. Winter.

Business Activities: Manufactures men's dress shirts, sport shirts, jeans, topcoats, raincoats, sweaters, slacks, sportswear, outerwear, suits and sportscoats; women's shirts and blouses; and men's and women's shoes. Also operates retail clothing stores and shoe stores.

Divisions and Subsidiaries:

Retail Division

The Retail Group
Van Heusen Retail
G. H. Bass Retail

Manufacturing Divisions:

The Van Heusen Group of Companies

Phillips-Van Heusen Corporation

The Van Heusen Company
The Designer Group
The Pickwick Company
The Van Heusen Corporate Markets Company

Private Label Sportswear Group
PVH Somerset Company
Somerset Knitting Mills, Inc.

All at:

1290 Avenue of Americas
New York, New York 10104

Acquisition:

G. H. Bass & Co.
Engaged in the manufacture, distribution and retail marketing of men's and women's shoes.

Transfer Agent(s):

Chase Manhattan Bank, N.A.
1 New York Plaza
New York, New York 10081

Stock Exchange(s): New York

Ticker Symbol: PVH

Number of Stores: (at fiscal year end)

1987	N.A.	1984	99
1986	156	1983	99
1985	107		

N.A. - Not Available.

Sales & Earnings

	Net Sales †	Net Income
1988	$ 500,025,000	$ 30,009,000
1987	370,932,000	20,101,000
1986	397,466,000	15,935,000
1985 *	401,111,000	15,298,000
1984	327,049,000	17,262,000

	No. of Com. Shares ‡	Earn. per Share +
1988	9,039,000	$ 1.97
1987	15,134,000	1.27
1986	15,279,000	1.02
1985 *	15,231,000	0.98
1984	15,142,000	1.18

* 53 weeks.
† Including operating revenues; of continuing operations only.
‡ Adjusted to reflect stock splits.
+ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Revenues by Line of Business
(000's)

	1988	1987
Apparel	$ 416,407	$ 370,932
Footwear	83,618	—
Total	$ 500,025	$ 370,932

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1988	$ 0.25	—	2 1/2-for-1
1987	0.16	—	—
1986	0.16	—	—
1985	0.16	—	—
1984	0.13	—	2-for-1

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share +
1988	$ 22,456,000	$ 2.48
1987	164,522,000	10.87
1986	150,676,000	9.86
1985	137,567,000	9.03
1984	124,465,000	8.22

+ Adjusted to reflect stock splits.

Income Account *
(000's)

Year ended	1/31/88	2/1/87
Net sales & rev.	$ 500,025	$ 370,932
Cost of sales	350,364	254,583
Expenses	110,156	79,996
Other expense (income)	(2,678)	462
Interest expense	6,210	3,216
Income before taxes	$ 35,973	$ 32,675
Income taxes	14,655	15,497
Inc.-cont. oper.	$ 21,318	$ 17,178
Inc.-discont. oper.	8,691	2,923
Net Income	$ 30,009	$ 20,101

* Included in Costs and Expenses, Depreciation and Amortization: $5,150,000 in 1988 and $3,673,000 in 1987.

Assets
(000's)

As of	1/31/88	2/1/87
Cash	$ 22,621	$ 26,133
Receiv., net	70,136	40,161
* Inventories	142,818	76,950
Other curr. assets	7,543	2,555
Net assets held for sale	15,015	33,567
Curr. Assets	$ 258,135	$ 179,366
# Fixed assets	47,487	28,586
Net assets held for sale	—	4,400
Intangibles	3,255	3,273
Other assets	8,896	2,697
Total Assets	$ 317,773	$ 218,322

Liabilities
(000's)

Long-term debt, curr.	$ 4,539	$ 529
Cap. lease oblig., curr.	301	352
Accts. payable	26,046	13,615
Accruals	49,344	20,973
Income taxes	6,511	4,425
Curr. Liabilities	$ 86,741	$ 39,894
Long-term debt	117,596	3,936
Cap. lease oblig.	3,252	3,552
Other liabilities	14,928	6,418
Redeem. preferred stock	72,800	—
+ Common stock	15,766	15,278
Add. paid-in capital	30,927	27,362
Retained earnings	149,570	127,045
Treasury stock	(173,807)	(5,163)
Total Liabilities & Shareholders' Equity	$ 317,773	$ 218,322

* At lower of cost or market. Apparel at LIFO; footwear at FIFO.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

% Net Income to Equity	—	12.22
Debt to Equity	5.60	0.05
Working Capital	$ 171,394,000	$ 139,472,000
Current Ratio	2.98	4.50
Shareholders' Equity	$ 22,456,000	$ 164,522,000

Pic 'n' Save Corporation

2430 E. Del Amo Boulevard
Carson, California 90749
(213) 537-9220

Mailing Address:
P.O. Box 58667
Los Angeles, California 90058

Officers: Lewis B. Merrifield, III, president & chief executive officer; Arthur Borie, exec. v.p. & chief operating officer; William M. Jacobs, Jr., v.p. & chief financial officer; Steve Miral, v.p. & merchandise manager; Sheldon S. McClusky, v.p.-warehousing & distribution; Raymond L. Kugel, asst. treasurer & secretary; Gerald J. Mignacca, v.p.-marketing; David E. Blakely, v.p.-store operations; James E. Metten, v.p.-development; Todd K. Turnham, v.p.-information resource management; Dennis E. Biberston, asst. v.p. & regional manager; Edward L. M. Corn, asst. v.p. & regional manager; Stephen M. Mess, asst. v.p. & regional manager.

Directors: Arthur Frankel, Lewis B. Merrifield, III, John T. Gursah, David Amsterdam, Stafford R. Grady.

Business Activities: Operates a chain of self-service, cash-and-carry retail stores specializing in the discount sale of new 'close-out' merchandise. Stores are located in California, Arizona, Nevada, New Mexico, Texas, Colorado, Idaho and Utah.

Transfer Agent(s):

First Interstate Bank of California
26610 West Agoura Road
Calabasas, California 91302

Stock Exchange(s): Over-the-Counter

Ticker Symbol: PICN (NASDAQ)

Number of Stores: (at fiscal year end)

1987	125	1984	90
1986	101	1983	85
1985	94		

Sales & Earnings

	Net Sales	Net Income
1987	$ 361,729,000	$ 47,313,000
1986	303,466,000	39,767,000
1985	278,072,000	41,074,000
1984	233,147,000	36,510,000
1983	227,130,000	36,451,000

	No. of Com. Shares ‡	Earn. per Share ‡
1987	39,472,000	$ 1.20
1986	39,555,000	1.01
1985	39,485,000	1.04
1984	43,731,000	0.83
1983	46,622,000	0.78

‡ Based on the average number of common shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	—	—	—
1986	—	—	3-for-2
1985	—	—	—
1984	—	—	—
1983	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	$ 192,014,000	$ 4.86
1986	152,388,000	3.85
1985	112,252,000	2.84
1984	70,878,000	1.62
1983	136,346,000	2.92

‡ Based on the average number of common shares outstanding adjusted to reflect stock splits.

Income Account * (000's)

Year ended Dec. 31	1987	1986
Net sales	$ 361,729	$ 303,466
Cost of sales	169,633	142,097
Store expenses	74,301	59,125
Warehouse expenses	32,049	22,235
Interest income	(896)	(1,082)
Income before taxes	$ 86,642	$ 81,091
Income taxes	39,329	41,324
Net Income	$ 47,313	$ 39,767

* Included in Costs and Expenses, Depreciation and Amortization: $4,763,000 in 1987 and $3,925,000 in 1986.

Assets (000's)

As of Dec. 31	1987	1986
Cash	$ 38,800	$ 58,782
Market. secur.	14,900	—
*Inventories	90,724	63,448
Other current assets	3,893	2,845
Current Assets	$ 148,317	$ 125,075
# Fixed Assets	89,042	62,930
Other assets	1,128	168
Total Assets	$ 238,487	$ 188,173

Liabilities (000's)

Accts. payable	$ 9,251	$ 8,031
Accruals	15,838	10,313
Income taxes	10,938	9,702
Sales tax pay.	4,322	2,763
Curr. Liabilities	$ 40,349	$ 30,809
Long-term debt	1,318	1,413
Deferred inc. taxes	4,124	2,975
Accrued bonus	682	588
+Common stock	1,099	1,099
Add. paid-in capital	6,289	6,084
Retained earnings	192,518	145,205
Treasury stock	(7,892)	—
Total Liabilities & Shareholders' Equity	$ 238,487	$ 188,173

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.02778 par value.

Statistical Summary

%Income bef. Taxes to Sales	23.95	26.72
%Net Income to Sales	13.08	13.10
%Net Income to Equity	24.64	26.10
Sales to Inventories	3.99	4.78
Debt to Equity	0.01	0.01
Working Capital	$ 107,968,000	$ 94,266,000
Current Ratio	3.68	4.06
Shareholders' Equity	$ 192,014,000	$ 152,388,000

Pier 1 Imports, Inc.

(51.2% owned by Intermark Inc.)

Suite 600
301 Commerce Street
Fort Worth, Texas 76102
(817) 878-8000

Officers: Charles R. Scott, chairman; Clark A. Johnson, president & chief executive officer; Thomas A. Christopher, sr. v.p.-operations; Marvin J. Girouard, sr. v.p.-merchandising; Robert G. Herndon, sr. v.p., chief financial and administrative officer; E. Mitchell Weatherly, v.p.-human resources; J. Rodney Lawrence, v.p.-legal affairs & secretary.

Directors: L.A. Henderson, Clark A. Johnson, Lawrence P. Klamon, Charles R. Scott, Thomas N. Warner, Sally F. McKenzie.

Business Activities: Owns and operates a chain of retail stores which sell imported and domestic gift items, home decorating accessories and furniture, outdoor and personal accessories in 37 states and three Canadian provinces.

Transfer Agent(s):

Texas American Bank/Fort Worth N.A.
Corporate Trust Department
P.O. Box 2604
Fort Worth, Texas 76113

Stock Exchange(s): New York

Ticker Symbol: PIR

Number of Stores: (at fiscal year end)

1987	396	1984	264
1986	350	1983	285
1985	306		

Sales & Earnings

	Net Sales	Net Income †
1988	$ 327,226,000	$ 15,825,000
1987	262,297,000	11,970,000
1986	203,939,000	13,733,000
1985	173,466,000	22,571,000
1984	147,299,000	21,621,000

	No. of Com. Shares ‡	Earn. per Share † ‡
1988	30,610,000	$ 0.52
1987	28,973,000	0.41
1986	25,493,000	0.54
1985	24,222,000	0.93
1984	23,796,000	0.89

† Including extraordinary gains of $10,052,000 ($0.41 per share) in 1984 and $9,878,000 ($0.42 per share) in 1984.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend and stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	$ 0.06	—	3-for-2
1987	0.02	—	4-for-3 & 3-for-2
1986	0.01	10%	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	$ 92,641,000 †	$ 3.03
1987	73,449,000 †	2.54
1986	48,543,000	1.90
1985	89,178,000	3.68
1984	68,240,000	2.87

† After allowing for preferred stock at par value.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend and stock splits.

Income Account (000's)

Year ended Feb. 28	1988	1987
Net sales	$ 327,226	$ 262,297
Cost of sales	156,753	126,297
Expenses	130,235	104,762
Depreciation & amortization	8,826	6,299
Interest expense	8,194	3,662
Income before taxes	$ 23,218	$ 21,277
Income taxes	7,143	9,307
Net Income	$ 16,075	$ 11,970

Assets (000's)

As of Feb. 28	1988	1987
Cash	$ 8,219	$ 7,658
Marketable securities	32,956	42,855
Accts. receiv., net	2,208	1,142
*Inventories	103,526	82,572
Other curr. assets	6,358	4,952
Current Assets	$ 153,267	$ 139,179
#Fixed Assets	79,114	42,659
Other assets	25,550	36,502
Total Assets	$ 257,931	$ 218,340

Liabilities (000's)

Notes payable	$ 33,480	$ 14,344
Accts. payable	32,589	25,982
Deferred income taxes	1,191	2,094
Curr. Liabilities	$ 67,260	$ 42,420
Long-term debt	96,530	101,513
+Preferred stock	1,500	958
++ Common stock	30,399	18,926
Add. paid-in capital	43,336	47,257
Retained earnings	22,015	7,961
Cum. trans. adjust.	153	(296)
Treasury stock	(3,262)	(399)
Total Liabilities & Shareholders' Equity	$ 257,931	$ 218,340

* At lower of moving average cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value; formula rate.
++ $1 par value.

Statistical Summary

%Income bef. Taxes to Sale	7.10	8.11
%Net Income to Sales	4.91	4.56
%Net Income to Equity	17.08	16.09
Sales to Inventories	3.16	3.18
Debt to Equity	1.38	1.56
Working Capital	$ 86,007,000	$ 96,759,000
Current Ratio	2.28	3.28
Shareholders' Equity	$ 94,141,000	$ 74,807,000

Pope, Evans and Robbins Incorporated

1410 Broadway, 24th Floor
New York, New York 10018
(212) 391-8300

Officers: Joseph E. Robbins, chairman of the board & secretary; Harry Rabinowitz, president & treasurer.

Directors: Joseph E. Robbins, chairman; Julian L. Barnett, Isidore Sol Jaffe, Richard L. Moore, Harry Rabinowitz.

Business Activities: Operates 24 retail stores engaged in the sale of fabrics, notions, home furnishing and decorating items and related products, under the name Fabric Tree, mainly in the Northeast. Also, designs, imports and distributes sweaters and other knit products, and sells wearing apparel at wholesale.

Subsidiaries:

DeRotchild Knitwear, Inc.
Fabric Tree, Inc.
Pat Fashions Industries, Inc.

Transfer Agent(s):

Continental Stock Transfer and Trust Co.
72 Reade Street
New York, New York

Stock Exchange(s): American

Ticker Symbol: PER

Number of Stores:

1987	24	1985	30
1986	31		

Sales & Earnings x

	Net Sales +	Net Income
1987	$ 57,200,000	$ (12,871,000)
1986	58,060,000	(7,221,000)
1985	61,622,000	(12,947,000)
1984	31,343,000	1,149,000
1983	—	7,828,000

	No. of Com. Shares ‡	Earn. per Share ‡
1987	7,404,000	$ —
1986	8,008,000	—
1985	8,227,000	—
1984	8,180,000	0.14
1983	8,184,000	0.96

(Loss)
x Prior to 1984 the Company was engaged in the protective fabrics and garments business only. In 1985 these businesses were discontinued, therefore net sales are omitted pior to 1984.
+ Of continuing operations only.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	—	—	—
1986	—	—	—
1985	—	—	—
1984	—	—	—
1983	—	—	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	$ 7,504,000	$ 1.01
1986	22,946,000	2.87
1985	31,349,000	3.81
1984	44,263,000	5.41
1983	42,546,000	5.20

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended June 30	1987	1986
Net sales	$ 57,200,000	$ 58,060,363
Cost of sales	47,029,000	46,932,893
Expenses	15,438,000	14,556,689
Prov. for store cos.	2,000,000	—
Interest expense	3,188,000	2,142,334
Other expenses	621,000	614,663
Loss bef. taxes	$ (11,076,000)	$ (6,186,216)
Tax credit	(73,000)	(761,000)
Loss-cont. oper.	$ (11,003,000)	$ (5,425,216)
Loss-discont. oper.	(1,868,000)	(1,796,041)
Net Loss	$ (12,871,000)	$ (7,221,257)

* Included in Costs and Expenses, Depreciation and Amortization: $1,304,000 in 1987 and $1,201,136 in 1986.

Assets

As of June 30	1987	1986
Cash	$ 6,202,000	$ 1,589,335
Accts. receiv., net	8,782,000	7,769,858
Refundable taxes	484,000	2,317,050
*Inventories	14,431,000	15,726,645
Prepaid expenses	1,054,000	803,174
Net assets-discont. oper.	—	9,353,387
Current Assets	$ 30,953,000	$ 37,559,449
#Fixed assets	2,802,000	5,200,445
Notes receivable	16,900,000	16,900,000
Other assets & deferred charges	2,632,000	2,491,103
Intangibles	7,095,000	7,289,857
Net assets-disc. oper.	488,000	649,507
Total Assets	$ 60,870,000	$ 70,090,361

Liabilities

Notes payable	$ 13,930,000	$ 9,320,037
Long-term debt, curr.	73,000	88,007
Accts. payable	3,634,000	3,949,675
Accruals	1,311,000	1,414,514
Income taxes	11,000	129,309
Curr. Liabilities	$ 20,959,000	$ 14,901,542
Long-term debt	32,407,000	32,242,783
+Common stock	840,000	839,959
Add. paid-in capital	21,598,000	21,597,678
Retained earnings (deficit)	(8,583,000)	4,288,448
Treasury stock	(6,351,000)	(3,780,049)
Total Liabilities & Shareholders' Equity	$ 60,870,000	$ 70,090,361

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

Sales to Inventories	3.96	3.69
Debt to Equity	6.18	1.82
Working Capital	$ 9,994,000	$ 22,657,907
Current Ratio	1.48	1.32
Shareholders' Equity	$ 7,504,000	$ 22,946,036

The Present Co., Inc.

(Became a privately held corporation in October 1987.)

3042 West Ridge Road
Rochester, New York 14626
(716) 227-0700

Officers: Gordon S. Present, chairman; James R. Present, president & chief exec. officer; Robert E. Meagher, sr. v.p. & secretary; Myles B. Weiner, v.p.-merchandising; Norman Kramer, v.p.-operations.

Directors: Gordon S. Present, chairman; Robert E. Meagher, Beryl M. Present, James R. Present, Charles T. Zelter, John Lovenheim.

Business Activities: Operates 18 catalog-showrooms and one jewelry store in New York State.

Subsidiary:

Present Yachts Inc.
Sells yachts constructed in Taiwan.

Number of Stores: (at fiscal year end)

1987	19	1984	11
1986	16	1983	11
1985	14		

Sales & Earnings

	Net Sales	Net Income
1987	$ 58,028,787	$ 1,552,629
1986	48,133,804	1,271,284
1985+	38,665,757	815,593
1984	30,076,037	381,229
1983*	22,570,442	266,234

	No. of Com. Shares †	Earn. per Share †
1987	2,195,413	$ 0.71
1986	1,824,856	0.70
1985+	1,385,958	0.59
1984	1,354,626	0.28
1983*	1,443,288	0.11

+ 53 weeks.
* 10 months.
† Based on the weighted average number of common shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	—	—	—
1986	—	—	21-for-1
1985	—	—	—
1984	—	—	—
1983	—	—	—

Common Stock Equity

	Total Equity	Equity Per Share †
1987	$ 11,834,125	$ 5.39
1986	10,136,000	5.55
1985	4,163,000	3.00
1984	3,315,000	2.45
1983	2,934,000	2.03

† Based on the weighted average number of common shares outstanding adjusted to reflect stock split.

Income Account *

Year ended	1/31/87	2/1/86
Net sales	$ 58,028,787	$ 48,133,804
Cost of sales	41,976,125	35,092,655
Expenses	12,736,602	10,514,655
Interest expense	174,431	87,210
Income before taxes	$ 3,121,629	$ 2,439,284

Income taxes	1,569,000	1,168,000
Net Income	$ 1,552,629	$ 1,271,284

• Included in Costs and Expenses, Depreciation and Amortization: $438,783 in 1987 and $344,517 in 1986.

Assets

As of	1/31/87	2/1/86
Cash	$ 1,712,677	$ 2,448,216
Accts. receiv., net	672,591	700,458
•Inventories	19,594,034	18,705,483
Prepaid expenses	883,704	670,037
Current Assets	$ 22,863,006	$ 22,524,194
#Fixed assets	3,893,983	3,033,794
Total Assets	$ 26,756,989	$ 25,557,988

Liabilities

Notes payable	$ 1,500,000	$ —
Accts. payable	7,961,373	10,993,515
Accruals	3,046,437	2,461,962
Income taxes	1,348,289	1,026,058
Customer deposits	260,548	196,739
Cap. lease oblig. curr.	68,831	121,548
Curr. Liabilities	$ 14,185,478	$ 14,799,822
Deferred inc. taxes	693,486	501,186
Long-term debt	44,200	121,306
+Common stock	217,921	210,114
Add. paid-in capital	5,666,822	5,592,557
Retained earnings	5,949,382	4,396,753
Treasury stock	—	(63,750)
Total Liabilities & Shareholders' Equity	$ 26,756,989	$ 25,557,988

• At lower of cost (LIFO) or market.
Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	5.38	5.07
%Net Income to Sales	2.68	2.64
%Net Income to Equity	13.12	12.54
Sales to Inventories	2.96	2.57
Debt to Equity	0.01	0.02
Working Capital	$ 8,677,528	$ 7,724,372
Current Ratio	1.61	1.52
Shareholders' Equity	$ 11,834,125	$ 10,135,674

Primerica Corporation

(Formerly American Can Company)

American Lane
P.O. Box 3610
Greenwich, Connecticut 06836
(203) 552-2000

Officers: Gerald Tsai, Jr., chairman & chief exec. officer; Kenneth A. Yarnell, Jr., president and chief operating officer; Michael I. Roth, exec. v.p. & chief financial officer; Robert M. Abramson, sr. v.p.-strategic planning; Robert J. Bell, gen. auditor & v.p.; David I. Chemerow, sr. v.p.-operations; Robert B. Bogart, sr. v.p.-corporate human resources and administration; Walter A. Scott, exec. v.p. & president & chief exec. officer-Financial Services Sector; James A. Long, exec. v.p.-mergers, acquisitions and planning; David A. Frank, sr. v.p. & treasurer; John T. Andrews, Jr., sr. v.p., general counsel & secretary; JoAnn Heffernan Heisen, v.p.-corp affairs; John G. Polk, sr. v.p. & general auditor; Robert E. Broatch, v.p. & corp. controller.

Directors: William S. Woodside, Richard R. Hough, Harry S. Howard, Jr., Joseph A. Califano, Jr., Gerald Tsai, Jr., Keith D. Bunnel, Charles E. Hugel, J. Bruce Llewellyn, Jerry S. Rosenbloom, Kenneth A. Yarnell, Jr., Ronald E. Goldsberry, Martin S. Davis, Todd G. Cole, Harold B. Ehrlich, Roland D. Grimm, Donald Kramer, Sherry Lansing.

Business Activities: Operates in two principal business segments: specialty retailing and financial services. The Company, through it subsidiary, The Musicland Group, is a retailer of pre-recorded music, video music, audio and video equipment and other home entertainment products. The Musicland Group operates 616 specialty retailing stores nationwide primarily under the names 'Musicland' and 'Sam Goody.' Another subsidiary, Dunham's Athleisure Corporation, operates a 33-store retail chain selling athletic apparel, footwear and sporting equipment in Wisconsin, Ohio, Michigan, Indiana, Illinois, Pennsylvania, and New York.

Retail Subsidiaries:

The Musicland Group, Inc.
Minneapolis, Minnesota
Merchandising and retailing of records, tapes, and audio and video equipment.

Dunham's Athleisure Corporation
Drayton Plains, Michigan
Retail sale of athletic apparel, footwear and sporting equipment.

Fingerhut Companies, Inc.
Minnetonka, Minnesota
Engaged in the business of direct mail merchandising.

Transfer Agent(s):

The Bank of New York
90 Washington Street
New York, New York 10015

Stock Exchange(s): New York

Ticker Symbol: PA

Number of Stores: (at fiscal year end)

1987	649	1985	462
1986	541		

Sales & Earnings

	Revenues +	Net Income †
1987	$ 3,761,800	$ 198,600
1986 x	2,886,900	229,700
1985 x	2,475,200	88,500
1984	2,353,300	136,000
1983	2,154,600	100,100

	No. of Com. Shares #	Earn. per Share † ‡
1987	51,109,000	$ 3.35
1986 x	53,463,000	3.82
1985 x	53,712,600	1.29
1984	48,015,000	2.45
1983	42,733,000	1.88

x Restated to reflect change in accounting for income taxes.
+ Of continuing operations only.
† Including extraordinary gains of $3,600,000 ($0.08 per share) in 1984 and $5,600,000 ($0.14 per share) in 1983 and extraordinary loss of $23,700,000 ($0.43 per share) in 1986.
# Adjusted to reflect stock split.
‡ Based on the weighted average number of common shares outstanding adjusted to reflect stock split.

Revenues by Line of Business
(000's)

	1987	1986
Financial services	$ 1,588,500	$ 1,464,800
Invest. banking	398,600	—
Specialty retailing	1,696,300	1,380,300
Other business	78,400	41,800
Total	$ 3,761,800	$ 2,886,900

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1987	$ 1.60	—	—
1986	1.45	—	2-for-1
1985	1.45	—	—
1984	1.45	—	—
1983	1.45	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity (000's)	Equity Per Share †
1987	1,302,700	$ 23.49
1986 x	1,326,800	24.82
1985 x	1,245,500	23.19
1984	1,093,400	22.77
1983	948,100	22.19

x Restated.
† Adjusted to reflect stock split.

Income Account •
(000's)

Year ended Dec. 31	1987	1986 ‡
Revenues	$ 3,761,800	$ 2,886,900
Cost of sales and expenses	3,368,200	2,477,500
Expenses	54,000	90,900
Interest expense	114,000	99,300
Gain on sale of stock of subsid.	(69,200)	(69,300)
Income before taxes	$ 294,800	$ 288,500
Income taxes	87,000	63,500
Minority interest	9,200	4,500
Inc.-cont. oper.	$ 198,600	$ 220,300
Inc.-discont. oper.	—	32,900
Net Income	$ 198,600	$ 253,400
Extraord. loss	—	(23,700)
Net Income & extraord. loss	$ 198,600	$ 229,700

• Included in Costs and Expenses, Depreciation: $45,400,000 in 1987 and $34,800,000 in 1986.
‡ Restated.

Assets
(000's)

As of Dec. 31	1987	1986 ‡
Cash & short-term investments	$ 235,500	$ 209,400
Financial services: Investments	1,882,200	1,670,500
Receivables	242,600	272,200
Mortg. loans held for sale	419,700	590,500
Value of insur.	222,300	219,100
Deferred policy acq. costs	778,600	592,100
Other assets	361,900	341,800
Invest. banking and brokerage:		
Cash and securities	50,100	—
Securities to resell	2,701,200	—
Receiv. from cust.	922,000	—
Receiv. from brokers	818,000	—
Securities owned	2,500,500	—
Other assets	290,000	—
Specialty retailing:		
Receivables	275,400	351,600
•Inventories	235,600	216,700
Other assets	163,000	227,200
Intangibles	747,600	387,200
Other assets	370,900	271,800
Total Assets	$ 13,217,100	$ 5,350,100

Liabilities (000's)		
Policy liabilities & accruals	$ 1,296,500	$ 1,124,200
Short-term brok. borrowings	1,009,400	—
Securities sold to repurch.	2,956,000	—
Payable to brokerage cust.	304,100	—
Payable to brokers	810,700	—
Securities sold not yet purch.	1,081,200	—
Accts. payable & other liabilities	1,524,700	1,271,100
Debt obligations	1,997,900	665,100
Notes payable	428,800	573,300
Deferred inc. taxes	155,400	226,700
Redeem. preferred stock	149,700	162,900
+Common stock	59,800	58,000
Add. paid-in capital	657,600	622,100
Unreal. depreciation of eq. secur.	(39,700)	(8,800)
Cum. trans. adjust.	2,600	(2,000)
Retained earnings	890,600	797,300
Treasury stock	(268,200)	(139,800)
Total Liabilities & Shareholders' Equity	$ 13,217,100	$ 5,350,100

‡ Restated.
* At lower of cost (FIFO) or market.
+ $1 par value.

Statistical Summary		
%Income bef. Taxes to Sales	7.84	—
%Net Income to Sales	5.28	—
%Net Income to Equity	15.25	19.10
Debt to Equity	1.86	0.93
Shareholders' Equity	$ 1,302,700,000	$ 1,326,800,000

Pueblo International, Inc.

Loiza Expressway
Corner of Campo Rico Avenue
Carolina, Puerto Rico 00630
(809) 757-3131

1300 Northwest 22nd Street
Pompano Beach, Florida 33069
(305) 977-2500

P.O. Box 3288
San Juan, Puerto Rico 00936

Officers: Harold Toppel, chairman of the board & chief exec. officer; David W. Morrow, president and chief operating officer; Walter O. Joachim, exec. v.p.; Milton Toppel, v.p.-publication affairs; Jeffrey P. Freimark, sr. v.p.-finance & administration and treasurer; Robert Locke, sr. v.p.-planning and development; Ignacio Rivera, v.p., general counsel and secretary; Rafael Torres, v.p., asst. secretary & asst. treasurer.

Directors: Harold Toppel*, chairman; William C. Lang, Milton Toppel, A. Michael Victory, Abraham Zaleznik*, Guillermo Rodriguez-Benitez, Revenol Duryea*, Carlos O. Souffront, Richard W. McEwen, David W. Morrow*, Harold G. Beckner.

* Member of the Executive Committee

Business Activities: Operates conventional supermarkets in Puerto Rico and the U.S. Virgin Islands, and Xtra Super Food Centers in Puerto Rico and Florida.

Division:

Pueblo Supermarkets Division

Transfer Agent(s):

Harris Trust Company of New York
110 William Street
New York, New York 10038

Stock Exchange(s): New York, Pacific

Ticker Symbol: PII

Number of Stores: (at fiscal year end)

1988	49	1985	42
1987	44	1984	44
1986	43		

Sales & Earnings

	Net Sales	Net Income †
1988	$ 816,100,000	$ (480,000)
1987*	692,101,000	6,774,000
1986	596,794,000	6,587,000
1985	518,335,000	5,105,000
1984	476,806,000	3,882,000

	No. of Com. Shares ‡	Earn. per Share ‡ †
1988	3,504,000	$ —
1987*	3,604,000	1.88
1986	3,713,000	1.77
1985	3,773,000	1.35
1984	3,751,000	1.03

* 53 weeks
† Including extraordinary gains of $610,000 ($0.12 per share) in 1987, $1,288,000 ($0.34 per share) in 1986, $1,416,000 ($0.38 per share) in 1985 and $733,000 ($0.19 per share) in 1984.
‡ Based on the weighted average number of common shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	$ 0.20	—	—
1987	0.18	—	—
1986	0.16	—	—
1985	0.16	—	—
1984	0.16	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1988	$ 52,113,000	$ 15.12
1987	55,899,000	15.62
1986	50,432,000	14.07
1985	47,447,000	12.54
1984	42,840,000	11.39

Income Account

Year ended	1/30/88	1/31/87 (53 weeks)
Net sales	$ 816,100,000	$ 692,101,000
Cost of sales	642,364,000	541,506,000
Expenses	150,898,000	127,617,000
Depreciation & amortization	10,764,000	8,874,000
Interest expense	8,191,000	7,450,000
Loss (gain) on sale of invest. secur.	1,529,000	(664,000)
Other income	(2,256,000)	(3,147,000)
Income before taxes	$ 4,610,000	$ 10,465,000
Income taxes	5,090,000	4,301,000
Net Income (Loss)	$ (480,000)	$ 6,164,000
Extraord. gain	—	610,000
Net Income (Loss) & extraord. gain	$ (480,000)	$ 6,774,000

Assets

As of	1/30/88	1/31/87
Cash	$ 25,825,000	$ 16,094,000
Marketable securities	9,991,000	29,458,000
Accts. receiv., net	5,024,000	5,545,000
*Inventories	47,511,000	34,544,000
Prepaid expenses	6,411,000	7,421,000
Current Assets	$ 94,762,000	$ 93,062,000
#Fixed assets	108,354,000	87,565,000
Prop. bdf under cap. leases	28,316,000	22,528,000
Short-term investment	5,525,000	12,957,000
Other assets	5,835,000	4,820,000
Total Assets	$ 242,792,000	$ 220,932,000

Liabilities

Long-term debt, curr.	$ 3,878,000	$ 3,473,000
Cap. lease oblig., curr.	1,233,000	1,074,000
Accts. payable	55,368,000	38,894,000
Dividends payable	172,000	180,000
Accruals	21,964,000	18,475,000
Income taxes	1,387,000	348,000
Curr. Liabilities	$ 84,002,000	$ 62,444,000
Conv. subord. debentures	24,990,000	25,000,000
Long-term debt	45,766,000	49,381,000
Cap. lease oblig.	31,140,000	24,891,000
Other defer. credits & liabilities	4,781,000	3,317,000
+Common stock	4,907,000	4,903,000
Add. paid-in capital	10,643,000	10,617,000
Retained earnings	48,352,000	49,533,000
Treasury stock	(11,789,000)	(9,154,000)
Total Liabilities & Shareholders' Equity	$ 242,792,000	$ 220,932,000

* At LIFO or at cost.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary		
%Income bef. Taxes to Sales	0.56	1.51
%Net Income to Sales	—	0.89
%Net Income to Equity	—	11.03
Sales to Inventories	17.18	20.04
Debt to Equity	1.57	1.41
Working Capital	$ 10,760,000	$ 30,618,000
Current Ratio	1.13	1.49
Shareholders' Equity	$ 52,113,000	$ 55,899,000

Quality Food Center, Inc.

10112 N.E. 10th Street
Bellevue, Washington 98004
(206) 455-3761

Officers: Stuart M. Sloan, chairman; Jack Croco, president & chief exec. officer; Dan Kourkoumelis, exec. v.p. & chief operating officer; Ruth F. Cook, sr. v.p.; Marc W. Evanger, v.p. & chief financial officer; Robert Alfano, v.p.-produce operations; Lee Crowthers, v.p.-architect; Charles Griffin, v.p.-store operations; Robert Hall, v.p.-meat operations; Howard Weisberg, v.p.-information systems.

Directors: Stuart M. Sloan, chairman; Jack Croco, Victor D. Alhadeff, Fred B. McLaren, Ronald A. Weinstein.

Business Activities: Operates a chain of 22 supermarkets in the Seattle,King County, Washington area.

Transfer Agent(s):

The First Jersey National Bank
One Exchange Place
Jersey City, New Jersey 07302
(206) 455-3761

Stock Exchange(s): Over-the-Counter

Ticker Symbol: QFCI (NASDAQ)

Number of Stores (at fiscal year end)

1987	22	1984	21
1986	22	1983	20
1985	21		

Sales & Earnings

	Net Sales	Net Income x
12/26/87	$ 189,611,000	$ 3,380,000
12/27/86*	89,636,000	977,000
6/16/86+#	68,706,000	1,165,000
12/28/85+	136,768,000	2,891,000
12/29/84+	128,401,000	1,956,000

	No. of Com. Shares †	Earn. per Share ‡ X
12/26/87	4,750,000	$ 0.78
12/27/86*	3,325,000	0.29

* 28 weeks.
# 24 weeks.
+ Predecessor company.
x Including extraordinary loss of $891,000 ($0.20 per share) in 1987.
† Adjusted to reflect stock split.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
12/26/87	—	—	—
12/27/86	—	—	16.625-for 1

‡ Effective Mar. 4, 1987.

Common Stock Equity

	Total Equity	Equity Per Share ‡
12/26/87	$ 23,166,469	$ 4.88
12/27/86	2,977,346	0.90
6/16/86	2,000,000	—

‡ Adjusted to reflect stock split.

Income Account*

Year ended	12/26/87	12/27/86 (28 weeks)
Net sales	$ 189,611,444	$ 89,636,492
Cost of sales	146,380,619	69,780,193
Expenses	34,464,620	16,331,647
Interest expense	1,935,103	1,820,315
Interest income	(324,771)	(119,809)
Income before taxes	$ 7,155,873	$ 1,824,346
Income taxes	2,885,000	847,000
Net income	$ 4,270,873	$ 977,346
Extraord. gain	891,000	—
Net income & extraord. gain	$ 3,379,873	$ 977,346

* Included in Costs and Expenses, Depreciation and Amortization: $2,731,962 in 1987 and $1,350,715 in 1986.

Assets

As of	12/26/87	12/27/86
Cash	$ 2,648,303	$ 542,328
Short-term invest.	5,260,000	3,370,000
Accts. receiv., net	1,032,094	550,284
*Inventories	6,155,633	5,726,242
Prepaid expenses	153,075	300,465
Current Assets	$ 15,249,105	$ 10,489,319
#Fixed assets	17,802,782	13,832,664
Leasehold interest	13,305,254	14,248,770
Debt issuance costs	568,656	1,218,199
Intangibles	501,448	514,486
Other assets	160,819	314,540
Total Assets	$ 47,588,064	$ 40,617,978

Liabilities

Long-term debt, curr.	$ —	$ 642,857
Accts. payable	8,165,971	5,684,364
Accrued payroll	3,414,225	2,496,568
Accrued taxes	1,017,212	864,812
Other accruals	862,483	694,582
Income taxes	407,000	294,000
Accrued interest	44,064	292,010
Curr. Liabilities	$ 13,910,955	$ 10,969,193
Long-term debt	9,941,601	26,235,400
Deferred inc. taxes	133,000	—
Other liabilities	436,039	436,039
+Common stock	18,809,250	2,000,000
Retained earnings	4,357,219	977,346
Total Liabilities & Shareholders' Equity	$ 47,588,064	$ 40,617,978

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	3.77	2.04
%Net Income to Sales	2.25	1.09
%Net Income to Equity	18.44	32.83
Sales to Inventories	30.80	15.65
Debt to Equity	0.43	9.03
Working Capital	$ 1,338,150	—
Current Ratio	1.10	—
Shareholders' Equity	$ 23,166,469	$ 2,977,346

Rapid-American Corporation

725 Fifth Avenue
New York, New York 10022
(212) 735-9500

(A privately held corporation owned by Riklis Family Corporation)

Officers: Meshulam Riklis, chairman of the board, president & chief exec. officer; Harold S. Divine, vice chairman of the board; Daniel J. Manella, exec. v.p.; Marcia Riklis, exec. v.p.; Paul Weiner, sr. v.p.; Andrew Gregor, sr.v.p.-finance & treasurer; Michael J. Magenheim, controller & asst. treasurer; James Pollak, secretary.

Directors: Meshulam Riklis*, chairman; Simona Riklis Ackerman*, Harold S. Divine, Arie Genger, Ira Riklis*, Marcia Riklis*, Abraham G. Levin, Leonard C. Lane, Daniel J. Manella.

* Member of the Executive Committee

Business Activities: The Company is engaged through its subsidiary, McCrory Corporation, in retail merchandising. McCrory currently operates 1,258 variety stores in 38 states and the District of Columbia under the "McCrory," "McLellan," "H.L. Green," "J. J. Newberry," "T.G. & Y." and "S.H. Kress." names. These stores sell a broad mix of consumer merchandise; restaurants or luncheonettes are operated in 298 stores; five free-standing restaurants are also operated. The Company's Gault Brothers subsidiary distributes general merchandise to retail establishments in Canada.

Rapid Distribution Services, Inc.

View Top Corporation

McCrory Corporation
Gault Brothers
J. J. Newberry Co.
T. G. & Y. Stores Co.

Stock Exchange(s): * New York, Cincinnati, Pacific * Company's debentures are publicly traded on these exchanges.

Number of Stores: (at fiscal year end)

1988	1,258	1985	723
1987	1,226	1984	1,800
1986	1,438		

Sales & Earnings x

	Net Sales + (000's)	Net Income ‡ (000's)
1988	$ 1,489,415	$ (121,700)
1987	1,893,500	(11,400)
1986	994,726	86,000
1985	930,065	(8,300)
1984	840,100	56,100

	No. of Com. Shares	Earn. per Share ‡ #
1988	1,461,364	$ —
1987	1,461,364	—
1986	1,461,364	44.24
1985	1,461,364	—
1984	2,435,609	22.84

(Loss)
x Restated to reflect inventory valuation.
+ Of continuing operations only; includes lease department sales.
‡ Including extraordinary gain of $2,960,000 ($1.22 per share) in 1984 and extraordinary losses of $4,003,000 in 1986 and $18,240,000 in 1985.
# Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business
(000's)

	1988	1987
Retail merch.:		
McCrory Stores	$ 1,481,000	$ 1,883,000
Gault	8,000	9,000
Others	—	1,000
Total	$ 1,489,000	$ 1,893,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	$ —	—	—
1987	—	—	—
1986	1.57	—	—
1985	2.60	—	—
1984	0.75	—	—

Income Account
(000's)

Year ended Jan. 31	1988	1987 ‡
Net sales	$ 1,489,415	$ 1,893,500
Other income	60,474	94,074
Total income	$ 1,549,889	$ 1,987,574
Cost of sales	1,029,841	1,247,779
Expenses	474,056	564,984
Depreciation & amortization	43,041	46,265
Interest expense	153,865	159,516
Loss bef. taxes	$ (150,914)	$ (30,970)
Tax credit	(24,312)	(31,338)
Inc. (loss)-cont. oper.	$ (126,602)	$ 368
Loss - discont. oper.	(765)	(11,804)
Cum. effect of accting. change	5,660	—
Net Loss	$ (121,707)	$ (11,436)

‡ Restated.

Assets
(000's)

As of Jan. 31	1988	1987 ‡
Cash	$ 13,442	$ 12,796
Marketable securities	10,845	1,384
Accts. receiv., net	33,773	61,121
*Inventories	425,632	513,870
Prepaid expenses	14,654	23,284
Current Assets	$ 497,846	$ 612,455
Invest. & advances	374,926	354,559
#Fixed assets	306,548	315,586
Other assets	475,870	491,940
Total Assets	1,655,190	$ 1,794,540

Liabilities
(000's)

Long-term debt, curr.	$ 106,674	33,618
Cap. lease oblig., curr.	6,240	6,651
Short-term debt	62,459	38,070
Accts. payable	138,362	187,040
Accruals	106,858	130,279
Reserves for store clos.	34,285	68,062
Due to SCH Holding	9,000	—
Income taxes	7,380	12,553
Curr. Liabilities	$ 471,258	$ 476,273
Due to SCH Holding	235,024	—
Long-term debt	752,383	925,035
Cap. lease oblig.	52,329	61,326
Minority interest	14,718	14,797
Deferred inc. taxes	11,830	42,000
Other liabilities	116,239	173,986
+Preferred stock	1	1
+Common stock	24	24
Add. paid-in capital	206,606	179,937
Retained earnings (deficit)	(91,375)	49,774
Treasury stock	(110,000)	(110,000)
For. curr. trans. adjust	(3,847)	(3,847)
Due from stockholders	—	(14,966)
Total Liabilities & Shareholders' Equity	$ 1,655,190	$ 1,794,540

‡ Restated.
* At LIFO cost.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

Sales to Inventories	3.50	3.68
Working Capital	$ 26,588,000	$ 136,182,000
Current Ratio	1.06	1.29
Shareholders' Equity	$ 1,409,000	$ 100,923,000

RB Industries, Inc.

California

Corporate Offices:
1801 Century Park East, Suite 2101
Los Angeles, California 90067
(213) 553-3655

Executive Offices:
2323 Southeast Main Street
Irvine, California 92714

Officers: Joseph Sinay, chairman of the board, president & chief exec. officer; Stanley N. Goff, exec. v.p. & chief operating officer; Samuel B. Sinay, v.p. & secretary; J. Kevin McVoy, v.p.-finance & treasurer; James M. Brightman, v.p. & pres. & chief oper. officer-RB Furniture, Inc. & RB Creative Systems.

Directors: Joseph Sinay, Samuel B. Sinay, Stanley N. Goff, Irvine Robbins, James E. Ludlam, Solomon Lew, Norman Beck.

Business Activities: Owns and operates 49 RB Furniture Showrooms in California, Nevada, Arizona, Oregon, New Mexico, and Washington.

Divisions and Subsidiaries:

RB Furniture, Inc.
RB Creative Systems, Inc.
Laurel Development Company
W.J.S., Inc.

Transfer Agent(s):

Bank of America NT & SA
Los Angeles, California

Stock Exchange(s): New York

Ticker Symbol: RBI

Number of Stores: (at fiscal year end)

1987	49	1984	71
1986	53	1983	76
1985	68		

Sales & Earnings

	Revenues	Net Income ‡
1987	105,180,000	$ 4,022,000
1986	106,521,000	(976,000)
1985	116,507,000	(16,981,000)
1984	133,823,000	(2,681,000)
1983	97,805,000	387,000

	No. of Com. Shares #	Earn. per Share # ‡
1987	3,423,000	$ 1.17
1986	3,399,000	—
1985	4,057,000	—
1984	4,179,000	—
1983	3,437,000	0.11

(Loss)
‡ Including extraordinary gain of $1,816,000 ($0.53 per share) in 1987 and $251,000 in 1985.
# Based on the average number of shares outstanding.

Common Stock

	Cash Dividends	Stock Dividend	Stock Split
1987	$ —	—	—
1986	—	—	—
1985	0.08	—	—
1984	0.16	—	—
1983	0.12	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	$ 23,373,000	$ 6.83
1986	15,331,000	4.51
1985	16,304,000	4.02
1984	41,632,000	9.96
1983	29,672,000	8.63

‡ Based on the average number of shares outstanding.

Income Account *

Year ended June 30	1987	1986
Net sales	$ 103,600,000	$ 105,192,000
Other income	1,580,000	1,329,000
Total income	$ 105,180,000	$ 106,521,000
Cost of sales	55,973,000	55,543,000
Expenses	41,780,000	44,714,000
Store clos. cost	88,000	2,955,000
Interest exp.	3,317,000	3,847,000
Other charges	—	438,000
Income (loss) before taxes	$ 4,022,000	$ (976,000)
Income taxes	,816,000	—
Net Income (Loss)	$ 2,206,000	$ (976,000)
Extraordinary gain	1,816,000	—
Net Income (Loss) & extraord. gain	$ 4,022,000	$ (976,000)

* Included in Costs and Expenses, Depreciation and Amortization: $1,863,000 in 1987 and $1,905,000 in 1986.

Assets

As of June 30	1987	1986
Cash & Cash equivalents	$ 7,712,000	$ 3,232,000
Notes receivable	1,577,000	15,000
Accts. receiv., net	1,684,000	1,665,000
* Inventories	14,103,000	19,771,000
Prepaid expenses	946,000	1,792,000
Current Assets	$ 26,022,000	$ 25,975,000
# Fixed assets	35,835,000	37,573,000
Notes receivable	4,508,000	6,020,000
Other assets	1,294,000	759,000
Total Assets	$ 67,659,000	$ 70,327,000

Liabilities

Long-term debt, curr.	$ 57,000	$ 546,000
Oblig. under cap. lease	392,000	461,000
Accts. payable	4,182,000	5,766,000
Accruals	8,033,000	12,357,000
Curr. Liabilities	$ 12,664,000	$ 19,130,000
Long-term debt	11,141,000	6,837,000
Long-term oblig. under cap. lease	12,219,000	17,504,000
Debentures	6,409,000	8,944,000
Other liabilities	1,853,000	2,581,000
+ Common stock	3,801,000	3,399,000
Add. paid-in capital	22,902,000	19,284,000
Retained earn. (deficit)	(3,330,000)	(7,352,000)
Total Liabilities & Shareholders' Equity	$ 67,659,000	$ 70,327,000

* At lower of cost (specific identification) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	3.88	—
%Net Income to Sales	2.13	—
%Net Income to Equity	9.44	—
Sales to Inventories	7.35	5.32
Debt to Equity	1.02	1.65
Working Capital	$ 13,358,000	$ 6,845,000
Current Ratio	2.05	1.36
Shareholders' Equity	$ 23,373,000	$ 15,331,000

Reebok International Ltd.

150 Royall Street
Canton, Massachusetts 02021
(617) 821-2800

Officers: Paul B. Fireman, chairman & chief exec. officer; C. Joseph LaBonte, president & chief operating officer; James E. Barclay, exec. v.p.; Paul R. Duncan, sr. v.p.-finance, treasurer & chief financial officer; John B. Douglas, III, v.p. & gen. counsel; Joseph W. Foster, v.p. & pres.-Reebok International Limited; Dwight Harshbarger, sr. v.p.-human resources; Frank O'Connell, v.p. & pres.-Reebok North America; Stanley I. Kravetz, v.p. & pres.-The Rockport Company.

Directors: Paul B. Fireman, chairman; C. Joseph LaBonte, Frank A. Farrant, William M. Marcus, Geoffrey Nunes, John A. Queich, R. Stephen Rubin, Linda J. Wachner.

Business Activities: Operates several factory outlet-type retail stores which sell footwear, apparel and accessories bearing the Reebok, Weebok, Rockport, Frye, and Avia trademarks. Designs, develops and markets athletic footwear, casual and dress comfort shoes, walking shoes, and sportswear and accessories.

Divisions and Subsidiaries:

Footwear Division

Apparel Division
Canton, Massachusetts

The Rockport Company
Marlboro, Massachusetts

International Division
Bolton, England

Weebok Division
Markets non-athletic shoes for infants and children under the Weebok trademark.

Reebok Canada, Inc.
Distributes the Company's products in Canada.

Acquisition(s):

Avia Group International, Inc.
Designs, develops and markets athletic footwear, casual and walking shoes, and hiking boots.

John A. Frye Company, Inc.
Manufactures leather boots and casual and dress shoes.

Ellesse U.S.A., Inc.
Designs, develops and markets fashionable sportswear and athletic footwear.

Transfer Agent(s):

The First National Bank of Boston
Shareholder Services Division
P.O. Box 1865
Boston, Massachusetts 02105

Stock Exchange(s): New York

Ticker Symbol: RBK

Sales & Earnings

	Net Sales	Net Income †
1987	$ 1,389,196,000	$ 165,200,000
1986	919,401,000	132,134,000
1985	306,969,000	38,962,000
1984	66,022,000	6,145,000
1983	12,815,000	667,000

	No. of Com. Shares ‡	Earn. per Share † ‡
1987	111,234,000	$ 1.49
1986	103,784,000	1.27
1985	85,896,000	0.45
1984	77,706,000	0.08
1983	75,330,000	0.01

† Including extraordinary gain of $31,000 in 1983.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	$ 0.20	—	2-for-1
1986	—	—	3-for-1

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	$ 584,763,000	$ 5.26
1986	297,601,000	2.87
1985	88,735,000	1.03
1984	6,832,000	0.09
1983	771,000	0.01

‡ Based on the wieghted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Income Account *
(000's)

Year ended Dec. 31	1987	1986
Net sales	$ 1,389,196	$ 919,401
Other income	10,240	4,472
Total income	$ 1,399,436	$ 923,873
Cost of sales	808,991	521,978
Selling expenses	164,896	83,294
Gen. & adm. expenses	102,191	56,470
Amort. of intangibles	12,453	2,280
Interest expense	4,771	694
Income before taxes	$ 306,134	$ 261,157
Income taxes	140,934	129,023
Net Income	$ 165,200	$ 132,134

* Included in Costs and Expenses, Depreciation and Amortization: $5,777,000 in 1987 and $1,159,000 in 1986.

Assets
(000's)

As of Dec. 31	1987	1986
Cash	$ 60,167	$ 66,077
Accts. receiv., net	204,676	120,075
Deferred inc. taxes	19,534	5,589
*Inventories	240,898	122,522
Prepaid expenses	10,821	2,324
Current Assets	$ 536,096	$ 316,587
#Fixed assets	64,509	19,218
Other assets	4,688	115
Intangibles	251,490	102,956
Restricted cash	11,583	1,504
Total Assets	$ 868,366	$ 440,380

Liabilities
(000's)

Notes payable	$ 54,626	$ 22,111
Long-term debt, curr.	399	24
Interest-bearing accts. pay.	57,255	16,486
Accts. payable and accruals	117,817	67,865
Income taxes	38,272	34,384
Curr. Liabilities	$ 268,369	$ 140,870
Long-term debt	10,570	—
Cap. lease oblig.	2,042	564
Deferred inc. taxes	2,622	1,245
+Common stock	1,125	528
Add. paid-in capital	263,877	119,433
Retained earnings	320,886	177,844
Unearned comp.	(5,371)	(1,650)
For. curr. trans. adjust.	4,246	1,446
Total Liabilities & Shareholders' Equity	$ 868,366	$ 440,380

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income before Taxes to Sales	22.04	28.41
%Net Income to Sales	11.89	14.37
%net Income to Equity	28.25	44.40
Sales to Inventories	5.77	7.50
Debt to Equity	0.12	0.08
Working Capital	$ 267,727,000	$ 175,717,000
Current Ratio	2.00	2.25
Shareholders' Equity	$ 584,763,000	$ 297,601,000

Reitmans (Canada) Limited

250 Sauve Street West
Montreal, Quebec H3L 1Z2, Canada

Officers: Jack Reitman, chairman; Stephen F. Reitman, exec. v.p.; Jeremy H. Reitman, president; Cyril Reitman, vice president; Bruno Eller, v.p.-store planning; Jacques Rousseau, v.p. & treasurer; Philip Sacks, v.p.-merchandising; Allan Salomon, v.p.-real estate & secretary; Louis Waxman, v.p.-Ontario operations; Jay Weiss, v.p.-information systems; Jacques Rheault, v.p.-store operations; Nadia Cerantola, v.p.-merchandising; Diane Fichaud, v.p.-human resources; Allen F. Rubin, v.p.-distribution; Eric Williams, v.p. & comptroller; Robert S. Vineberg, asst. secretary.

Directors: Jack Reitman, Jeremy H. Reitman, Cyril Reitman, Philip Sacks, Philippe de Gaspe-Beaubien, Stephen Reitman, Robert S. Vineberg.

Business Activities: Operates 596 women's clothing stores across Canada under the names Reitmans, Smart Set, Sweet Sixteen, Un-Deux-Trois, and Kookai. Also operates 175 Worths women's apparel stores in 20 states in the U.S.

Divisions and Subsidiaries:

Sweet Sixteen
Reitmans (Canada) Inc.
Reitmans (U.S.) Corp.
Smart Set Fashions, Limited
Un-Deux-Trois

Worth Stores Corp.
8515 Page Avenue
St. Louis, Missouri 63114
(314) 426-6686

Transfer Agent(s):

Montreal Trust Company
Montreal, Toronto, Halifax, Calgary, Vancouver.

Stock Exchange(s): Toronto, Montreal

Ticker Symbol: RET

Number of Stores: (at fiscal year end)

1988	771	1985	666
1987	743	1984	651
1986	698		

Sales & Earnings *

	Net Sales	Net Income
1988	$ 351,127,000	$ 9,444,000
1987	349,346,000	14,910,000
1986	335,765,000	20,262,000
1985	293,811,239	13,666,490
1984	282,346,709	13,749,224

	No. of Com. Shares +	Earn. per Share †
1988	9,314,482	$ 1.01
1987	9,314,482	1.60
1986	9,275,482	2.18
1985	9,275,482	1.47
1984	9,275,482	1.48

* In Canadian dollars.
+ Based on common shares and Class A shares outstanding adjusted to reflect stock dividend.
† Based on the weighted average number of Class A and common shares outstanding adjusted to reflect stock dividend.

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1988	$ 0.52	—	—
1987	0.52	—	—
1986	0.52	—	—
1985	0.52	—	—
1984	0.48	100%	—

‡ Common stock and Class A Stock combined adjusted to reflect stock dividend.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	$ 136,927,000	$ 14.70
1987	133,001,000	14.28
1986	124,138,000	13.38
1985	106,322,000	11.46
1984	95,878,000	10.34

‡ Based on Class A and common shares outstanding adjusted to reflect stock dividend.

Income Account

Year ended Jan. 31	1988	1987
Net sales	$ 351,127,000	$ 349,346,000
Cost of sales & expenses	337,200,000	323,924,000
Other income	(6,580,000)	(6,784,000)
Depreciation	7,870,000	6,654,000
Interest on long-term debt	504,000	—
Debenture interest	470,000	437,000
Amort. of goodwill	783,000	1,327,000
Income before taxes	$ 10,880,000	$ 21,788,00
Income taxes	1,436,000	8,878,000
Net income	$ 9,444,000	$ 14,910,000

Assets

As of Jan. 31	1988	1987
Cash	$ 16,778,000	$ 8,824,000
Accts. receiv., net	1,949,000	2,695,000
*Inventories	28,662,000	29,505,000
Prepaid expenses	3,061,000	3,336,000
Income taxes recoverable	4,426,000	—
Current Assets	$ 54,876,000	$ 44,360,000
Marketable securities	64,940,000	72,099,000
#Fixed assets	44,584,000	42,184,000
Goodwill	9,022,000	10,385,000
Total Assets	$ 173,422,000	$ 169,028,000

Liabilities

Accts. payable & accruals	$ 29,484,000	$ 27,245,000
Long-term debt, curr.	701,000	—
Income taxes	—	1,413,000
Curr. Liabilities	$ 30,185,000	$ 28,658,000
Long-term debt	6,310,000	7,369,000
+Class A stock	2,049,000	2,049,000
+Common stock	482,000	482,000
Curr. trans. gain	1,795,000	3,138,000
Retained earnings	132,601,000	127,332,000
Total Liabilities & Shareholders' Equity	$ 173,422,000	$ 169,028,000

* At lower of cost and net realizable value.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	3.10	6.81
%Net Income to Sales	2.69	4.27
%Net Income to Equity	6.90	11.21
Sales to Inventories	12.25	11.84
Debt to Equity	0.05	0.06
Working Capital	$ 24,691,000	$ 15,702,000
Current Ratio	1.82	1.55
Shareholders' Equity	$ 136,927,000	$ 133,001,000

Revelstoke Companies Ltd.

P.O. Box 2301
508 24th Avenue S.W.
Calgary, Alberta, T2P 2N2, Canada
(403) 229-4646

(Venture Funding Corporation Limited, a private investment holding company, owns 22% of the Class A and 47% of the Class B shares of the Company.)

Officers: D. Steele Curry, chairman & president; Keith A. C. McDowell, sr. v.p. & secretary-treasurer; Gordon D. Roberts, exec. v.p.; Ronald A. Warr, chairman-Coconut Joe Clothing Company Inc.; Jill S. Turner, president-Coconut Joe Clothing Company Inc.; Keith D. Talbot, president-Revelstoke Stores; John R. Lossing, president-Video Movie Ventures Inc..

Directors: Gerald A. Burkhold, D. Steele Curry, John L. Schlosser, Robert L. Strickland, G. Mark Curry, Kitson Vincent, Harold P. Milavsky, Robert Stollery.

Business Activities: Owns and operates a chain of 18 lumber, building material and home improvement retail outlets throughout western Canada. Through its 72%-ownership of Video Movie Ventures Inc., operates a chain of 29 Video Show Place stores, which rent and sell video cassettes throughout the province of Alberta and in Greater Toronto. Coconut Joe Clothing Company Inc., a wholly owned subsidiary, operates 14 stores selling moderately priced casual and leisure apparel, in Ontario.

Divisions and Subsidiaries:

Revelstoke Stores Division
Video Movie Ventures Inc. (72%-owned)
Coconut Joe Clothing Company Inc.

Transfer Agent(s):

Montreal Trust Company (common stock)
Calgary, Toronto, Montreal and Vancouver, Canada

Canada Trust Company (preferred stock)
Calgary, Toronto, Montreal and Vancouver, Canada

Stock Exchange(s): Toronto

Ticker Symbol: REVA & REVB

Number of Stores:

1987	61	1984	76
1986	39	1983	80
1985	73		

Sales & Earnings

	Net Sales +	Net Income #
1987	$ 100,691,000	$ (1,613,000)
1986	140,206,000	(6,810,000)
1985	132,687,000	(2,373,000)
1984	N.A.	(7,583,000)
1983	N.A.	121,000

	No. of Com. Shares †	Earn. per Share ‡ #
1987	5,864,348	$ —
1986	5,634,348	—
1985	5,293,348	—
1984	5,155,461	—
1983	5,139,461	—

(Loss)
N.A. - Not Available.
Including extraordinary gain of $3,873,000 ($0.75 per share) in 1984 and extraordinary loss of $2,450,000 ($0.46 per share) in 1986.
† Class A and Class B shares combined.
‡ Based on the weighted average number of class A and class B shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	$ —	—	—
1986	—	—	—
1985	0.115	—	—
1984	0.10	—	—
1983	0.10	—	—

Common Stock Equity

	Total Equity ‡	Equity Per Share †
1987	$ 19,427,000	$ 3.31
1986	20,058,000	3.57
1985	25,396,000	4.80
1984	27,812,000	5.39
1983	35,866,000	6.98

‡ After allowing for preferred stock at redemption value of $20.50 per share.
† Class A and Class B shares combined.

Income Account (000's)

Year ended Dec. 31	1987	1986
Net sales	$ 100,691	$ 140,206
Cost of sales	70,042	101,428
Expenses	28,978	35,964
Depreciation & amortization	1,283	1,236
Interest expense	3,034	5,011
Gain on sale of prop.	(888)	(151)
Interest income	(951)	(62)
Loss before taxes	$ (807)	$ (3,220)
Income taxes	764	166
Loss - cont. oper.	$ (1,571)	$ (3,386)
Loss - discont. oper.	—	(947)
Minority interest	(42)	(35)
Net Loss	$ (1,613)	$ (4,368)
Extraord. loss	—	(2,450)
Net Loss & extraord. loss	$ (1,613)	$ (6,818)

Assets (000's)

As of Dec. 31	1987	1986
Accts. receiv., net	$ 9,826	$ 10,942
Accts. receiv. from oper. sold	182	33,425
*Inventories	33,071	30,585
Current Assets	$ 43,079	$ 74,952

Investments	5,130	5,400
# Fixed assets	13,406	9,207
Goodwill	1,020	637
Total Assets	$ 63,435	$ 90,196
Liabilities (000's)		
Short-term loans	$ 23,436	$ 43,392
Accts. payable & accruals	9,505	13,111
Inc. taxes payable	607	99
Long-term debt, curr.	1,395	1,421
Curr. Liabilities	$ 34,943	$ 59,973
Long-term debt	6,771	8,110
Deferred inc. taxes	395	100
Minority interest	234	290
+Preferred stock	1,624	1,624
+Common stock		
Class A	13,562	12,482
Class B	727	727
Retained earnings	5,179	6,890
Total Liabilities & Shareholders' Equity	$ 63,435	$ 90,196

* At lower of cost (FIFO) or net realizable value.
# Less accumulated depreciation and depletion.
+ No par value.

Statistical Summary

Sales to Inventories	3.04	4.58
Debt to Equity	1.50	2.44
Working Capital	$ 8,136,000	$ 14,979,000
Current Ratio	1.23	1.25
Shareholders' Equity	$ 21,092,000	$ 21,723,000

Rhodes, Inc.

4370 Peachtree Road, N.E.
Atlanta, Georgia 30319
(404) 264-4600

(Agreed to be acquired by Green Capital Investors, L.P., on April 26, 1988. The definitive merger agreement is subject to shareholder approval.)

Officers: J. Mack Robinson, chairman of the board; Samuel E. Hudgins, vice chairman & chief executive officer; Irwin L. Lowenstein, president & chief operating officer; Richard F. Mitchell, exec. v.p.-finance & administration & treasurer; William C. Morris, sr. v.p.-marketing & merchandising; Joel T. Lanham, sr. v.p.-field operations; George G. Harris, sr. v.p.-field operations; Jack A. Hurst, sr. v.p. & dir.-training & human resources; William E. Anderson, secretary & general counsel; Joel H. Dugan, v.p.-accounting & information services.

Directors: J. Mack Robinson, chairman of the board; Guy W. Botts, E.C.A. Forsberg, Sr., Samuel E. Hudgins, Carl W. Knobloch, Jr., Irwin L. Lowenstein, Harriett J. Robinson, Lester Varn, Jr., George V. West, William H. Whaley, Dom H. Wyant.

Business Activities: Operates 89 home furnishings retail stores in ten southeastern and south central states.

Transfer Agent(s):

Wachovia Bank & Trust Company, N.A.
Corporate Trust Department
P.O. Box 3001
Winston-Salem, North Carolina 27102

Stock Exchange(s): New York

Ticker Symbol: RHD

Number of Stores: (at fiscal year end)

1988	89	1985	70
1987	83	1984	58
1986	77		

Sales & Earnings

	Net Sales	Net Income
1988	$ 239,547,000	$ 11,919,000
1987	234,512,000	12,044,000
1986	197,331,000	12,414,000
1985	166,923,000	9,846,000
1984	129,438,000	8,043,000

	No. of Com. Shares ‡	Earn. per Share ‡
1988	8,556,000	$ 1.39
1987	8,588,000	1.40
1986	7,706,000	1.61
1985	7,742,000	1.27
1984	6,878,000	1.17

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	$ 0.38	—	—
1987	0.34	—	—
1986	0.28	—	—
1985	0.21	—	—
1984	0.16	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	$ 109,569,000	$ 12.81
1987	109,771,000	12.78
1986	71,074,000	9.22
1985	61,774,000	7.98
1984	53,397,000	7.76

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account * (000's)

Year ended Feb. 28	1988	1987
Net sales	$ 239,547	$ 234,512
Cost of sales	136,478	133,723
Fin. charges & commissions	(34,168)	(30,318)
Expenses	104,877	91,547
Interest expense	7,742	6,532
Other income	(736)	(17)
Prov. for credit losses	9,003	9,704
Income before taxes	$ 16,351	$ 23,341
Income taxes	4,432	11,297
Net Income	$ 11,919	$ 12,044

* Included in Costs and Expenses, Depreciation and Amortization: $5,866,000 in 1988 and $5,120,000 in 1987.

Assets (000's)

As of Feb. 28	1988	1987
Cash	$ 1,936	$ 1,261
Install. receivables	165,475	156,138
*Inventories	31,461	36,773
Prepaid expenses	4,118	3,138
Current Assets	$ 202,990	$ 197,310
# Fixed assets	45,120	40,658
Capitalized real estate leases	12,357	13,115
Other assets	1,079	542
Total Assets	$ 261,546	$ 251,625

Liabilities (000's)

Commercial paper	$ 17,842	$ 16,472
Notes payable	25,300	4,500
Long-term debt, curr.	11,295	1,036
Accts. payable	10,869	17,263
Accrued sales taxes	5,887	5,840
Accruals	10,136	9,536
Income taxes	3,019	7,710
Deferred gain	318	318
Deferred income taxes	12,335	24,539
Curr. Liabilities	$ 96,901	$ 87,234
Deferred income taxes	12,787	940
Long-term debt	21,172	32,110
Oblig. under cap. leases	16,185	16,320
Deferred gain	4,932	5,250
+ Common stock	9,101	9,101
Add. paid-in capital	42,532	42,532
Retained earnings	72,100	63,390
Treasury stock	(14,164)	(5,252)
Total Liabilities & Shareholders' Equity	$ 261,546	$ 251,625

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	6.83	9.95
%Net Income to Sales	4.98	5.14
%Net Income to Equity	10.88	10.97
Sales to Inventories	7.61	6.38
Debt to Equity	0.64	0.35
Working Capital	$ 106,089,000	$ 110,076,000
Current Ratio	2.09	2.26
Shareholders' Equity	$ 109,569,000	$ 109,771,000

Rite Aid Corporation

Railroad Avenues and Trindle Road
Shiremanstown, Pennsylvania 17011
(717) 761-2633

Mailing address:
P.O. Box 3165
Harrisburg, Pennsylvania 17105

Officers: Alex Grass, chairman of the board and president; Martin Grass, exec. v.p.; Timothy Noonan, sr. v.p.; Alex Schamroth, sr. v.p.; Franklin C. Brown, sr. v.p.; Deane Ruble, sr. v.p.; Frank Bergonzi, sr. v.p.; Roger Grass, sr. v.p.; Robert Souder, sr. v.p.; Ronald A. Miller, sr. v.p.-distribution; Robert F. Brown, v.p. & treasurer; Charles Slane, v.p. & secretary; Gerald Cardinale, v.p.; Joe Grosfly, v.p.; David L. Dalton, v.p.; Michael Flaherty, v.p.; James Krakulec, v.p.; John Valvano, v.p.; Philip Markovitz, v.p.; Thomas M. Rosen, v.p.; Michael Morris, v.p.; George E. Fegan, v.p. & retail controller; Charles R. Kibler, secretary; I. Lawrence Gelman, asst. v.p. & asst. secretary; James O. Lott, Jr., asst. v.p.; Edward Naiman, asst. v.p.; John Palermo, asst. v.p.; Eric S. Sorkin, asst. v.p.; John McNamara, asst. v.p.; P. Douglas Stone, asst. v.p.; Barry Criss, asst. v.p.; Martin Pike, asst. v.p.; Daniel Garber, asst. v.p.; John R. Hartman, asst. v.p.; Frederick Karker, asst. v.p.; Kevin J. Mann, asst. v.p.; Ray McKeehy, asst. v.p.; Fred Wendte, asst. v.p.; E. Anthony Montini, asst. v.p.; Peter Penn, asst. v.p.; Michael A. Sholansky, asst. v.p.; Richard J. Vermecky, asst. v.p.; Brian D. Wenz, asst. v.p.; Franklin J. Cusick, asst. treasurer.

Directors: Alex Grass, chairman; Franklin C. Brown, Martin Grass, Leonard N. Stern, Philip Neivert, Henry Taub, Richard L. Throndbugh, Gerald Tsai, Jr., Roger L. Grass, Richard J. Kogan.

Business Activities: Owns and operates a chain of 2,128 discount drug stores and health and beauty aid stores in 22 eastern states and the District of Columbia. These stores are called Rite Aid, Drug Palaces, SuperRx, and Gray Drug Fair. The Company holds a 46.8% interest in Super Rite Foods, Inc., a grocery wholesalers and retailer. In addition, operates ADAP, Inc., a chain of 65 discount automotive parts stores; and Encore Books, a chain of 40 discount book stores in nine northeastern and mid-Atlantic states. Medical services involve specialized blood banking operations.

Rite Aid Corporation

Divisions and Subsidiaries:

Serv-Tec Biologicals
525 Milltown Road
North Brunswick, New Jersey 08902
(201) 846-6800

ADAP
600 Bodwell Street
Avon, Maine 02322
(617) 587-8400
Shareholder services.

Acquisition:

Begley Company
P.O. Box 1000
East Kentucky University Bypass
Richmond, Kentucky 40475
(606) 623-2550
Operates a chain of 35 drug stores in Kentucky. Also operates dry cleaners in 10 states under the names 'Big B', 'Superior' and 'Key One Hour Cleaners.'

Transfer Agent(s):

Morgan Shareholder Services Trust Company
30 West Broadway
New York, New York 10007

Registrar and Transfer Co.
Jersey City, New Jersey 07302

Stock Exchange(s): New York, Pacific

Ticker Symbol: RAD

Number of Stores: (at fiscal year end)*

1988	2,177	1985	1,351
1987	1,693	1984	1,147
1986	1,485		

* Continuing operations only.

Sales & Earnings

	Net sales + ($000's)	Net Income ($000's)
1988	$ 2,486,319	$ 144,553
1987	1,756,706	77,984
1986	1,564,119	67,924
1985	1,360,469	69,936
1984*	1,149,559	74,261

	No. of Com. Shares ‡	Earn. per Share ‡
1988	41,330,000	$ 3.50
1987	41,281,000	1.89
1986	41,235,000	1.52
1985	41,279,000	1.69
1984*	42,169,000	1.76

* 53 weeks.
+ Of continuing operations only.
‡ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Revenues by Line of Business

	1988	1987
Retail drug	$ 2,381,022,000	$ 1,656,121,000
Medical services	22,741,000	26,489,000
Specialty retailing	82,556,000	74,096,000
Total	$ 2,486,319,000	$ 1,756,706,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1988	$ 0.680	—	—
1987	0.600	—	—
1986	0.520	—	—
1985	0.433	—	—
1984	0.343	—	2-for-1

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	$ 571,014,000	$ 13.81
1987	452,544,000	10.96
1986	397,993,000	9.65
1985	353,665,000	8.58
1984	323,797,000	7.68

‡ Adjusted to reflect stock split.

Income Account * (000's)

Year ended	2/27/88	2/28/87
Net sales	$ 2,486,319	$ 1,756,706
Cost of sales	1,791,054	1,254,186
Expenses	506,537	346,602
Interest expense	34,545	22,935
Income before taxes	$ 154,183	$ 132,983
Income taxes	62,800	59,840
Eq. in earn. of 50% or less owned cos.	(2,399)	(4,841)
Inc.-cont. oper.	$ 93,782	$ 77,984
Loss-discont. oper.	47,059	—
Cum. effect of accntg. change	3,712	—
Net Income	$ 144,553	$ 77,984

* Included in Costs and Expenses, Depreciation and Amortization: $61,019,000 in 1988 and $44,310,000 in 1987.

Assets (000's)

As of	2/27/88	2/28/87
Cash & short-term invest.	$ 19,911	$ 17,796
Marketable securities	—	5,920
Accts. & notes receiv. net	116,874	82,225
*Inventories	514,893	433,386
Prepaid expenses & other assets	15,005	10,402
Current Assets	$ 666,583	$ 549,729
Investments & advances	18,081	31,632
#Fixed assets	401,643	314,876
Other assets	15,801	11,319
Intangibles	122,136	56,774
Total Assets	$ 1,224,244	$ 964,330

Liabilities (000's)

Short-term debt	$ 177,350	$ 173,500
Long-term debt, curr.	3,766	4,449
Accts. payable	138,810	113,348
Accruals	23,053	11,641
Income taxes	6,542	6,844
Other taxes	7,932	5,556
Curr. Liabilities	$ 357,453	$ 315,338
Long-term debt	227,153	153,399
Deferred income taxes	68,624	43,049
+Common stock	42,451	42,389
Add. paid-in capital	2,140	1,337
Retained earnings	547,209	430,748
Unreal. for. currency translation losses	—	(1,144)
Treasury stock	(20,786)	(20,786)
Total Liabilities & Shareholders Equity	$ 1,224,244	$ 964,330

* At lower of cost or market. Retail inventories at LIFO; all others at FIFO.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	7.57
%Net Income to Sales	—	4.44
%Net Income to Equity	25.32	17.23
Sales to Inventories	4.83	4.05
Debt to Equity	0.71	0.73
Working Capital	$ 309,130,000	$ 234,391,000
Current Ratio	1.86	1.74
Shareholders' Equity	$ 571,014,000	$ 452,544,000

Ross Stores, Inc.

8333 Central Avenue
P.O. Box 728
Newark, California 94560-0728
(415) 790-4400

Officers: Stuart G. Moldaw, chairman of the board; Norman A. Ferber, president & chief executive officer; Greggory L. Baldwin, exec. v.p.-operations; Alan Schlesinger, exec. v.p. & gen. mdse. mgr.; Richard Oppenheimer, sr. v.p., chief financial officer & secretary; Michael J. Finn, v.p. & div. mdse. mgr.; David Goldman, v.p.-marketing; Peter Hart, sr. v.p.-mgmt. info. systems; David Morrison, v.p.-distribution; J. Bernard Tillotson, v.p.-personnel; Richard A. Watson, v.p.-adm. services; Earl T. Benson, v.p., treasurer, asst. secretary & controller; Kenneth A. Dewhirst, v.p.-real estate; Michael J. Finn, v.p. & divisional merchandise manager; Gary Kaufman, v.p. & divisional merchandise manager; Bruce Rosen, v.p. & divisional merchandise manager; Louis S. Virag, v.p. & divisional merchandise manager.

Directors: Stuart G. Moldaw, chairman; Franklin P. Johnson, Jr., George P. Orban, Donald H. Seiler, Norman A. Ferber, Donald G. Fisher, Donna L. Weaver, John W. Boyle, Philip Schlein.

Business Activities: Operates a chain of 131 off-price retail stores offering brand-name fashion apparel, shoes, and bed and bath linens for the entire family, in 15 states located primarily in the South, Southwest, and West.

Transfer Agent(s):

Bank of America
San Francisco, California

Stock Exchange(s): Over-the-Counter

Number of Stores: (at fiscal year end)

1988	131	1985	66
1987	121	1984	26
1986	107		

Sales & Earnings

	Net Sales	Net Income †
1988	$ 575,990,000	$ 17,125,000
1987	534,413,000	(41,649,000)
1986	375,945,000	7,055,000
1985	210,509,000	6,668,000
1984	75,980,000	307,000

	No. of Com. Shares ‡	Earn. per share ‡ †
1988	28,247,000	$ 0.61
1987	25,744,000	—
1986	23,793,000	0.30
1985	18,836,000	0.35
1984	15,820,000	0.02

(Loss)
x 53 weeks.
† Including extraordinary gain of $5,581,000 ($0.20 per share) in 1988.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	—	—	—
1987	—	—	—
1986	—	—	3-for-2
1985	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	$ 118,570,000	$ 4.20
1987	84,945,000—	3.30
1986	126,346,000	5.31
1985	33,999,000 +	1.81
1984	8,001,000 +	0.51

+ After allowing for preferred stock at stated value.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Income Account
(000's)

Year ended	1/30/88	1/31/87
Net sales	$ 575,990	$ 534,413
Sales of leased depts.	(11,571)	(6,901)
Other income	1,163	730
Total income	$ 565,582	$ 528,242
Cost of sales	408,722	403,258
Expenses	122,153	114,562
Depreciation & amortization	8,679	8,518
Interest expense	7,103	7,947
Prov. for store closures	—	39,432
Income (loss) bef. taxes	$ 18,925	$ (45,475)
Income taxes (credit)	7,381	(4,026)
Net Income (Loss)	$ 11,544	$ (41,449)
Extraord. gain	5,581	—
Net Income (Loss) & extraord. gain	$ 17,125	$ (41,449)

Assets
(000's)

As of	1/30/88	1/31/87
Cash	$ 21,819	$ 2,993
Accts. receiv., net	3,236	5,831
*Inventories	109,254	134,993
Def. store opening exp.	1,382	4,372
Prepaid expenses	4,242	4,718
Current Assets	$ 140,333	$ 152,907
#Fixed assets	73,824	97,941
Lease rights	4,464	4,908
Other assets	7,125	3,725
Intangibles	4,800	4,854
Total Assets	$ 230,746	$ 264,335

Liabilities
(000's)

Long-term debt, curr.	$ —	$ 578
Accts. payable	45,373	47,869
Accruals	12,095	22,248
Accrued payroll	4,054	3,393
Income taxes	375	—
Curr. Liabilities	$ 61,897	$ 74,088
Long-term debt	45,000	88,481
Deferred inc. taxes	5,279	16,821
+Common stock	285	257
Add. paid-in capital	128,646	112,174
Retained earnings (def.)	(10,361)	(27,486)
Total Liabilities & Shareholders' Equity	$ 230,746	$ 264,335

* At lower of cost or market determined under the unit cost method.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	3.29	—
%Net Income to Sales	2.00	—
%Net Income to Equity	9.74	—
Sales to Inventories	5.24	3.96
Debt to equity	0.38	1.05
Working Capital	$ 78,636,000	$ 78,819,000
Current Ratio	2.27	2.06
Shareholders' Equity	$ 118,570,000	$ 84,945,000

Ruddick Corporation

2000 First Union Plaza
Charlotte, North Carolina 28282
(704) 372-5404

Officers: R. Stuart Dickson, chairman of the board; Alan T. Dickson, president; Richard N. Brigden, v.p.-finance; John L. Chanon, treasurer; D. B. Williford, asst. treasurer & secretary; James O. Stephens, asst. secretary; Mickey F. Frye, asst. treasurer.

Directors: R. Stuart Dickson, chairman; Alan T. Dickson, Thomas M. Belk, Hugh L. McColl, Jr., James E. S. Hynes, Roddey Dowd, Jord H. Jordan, Jr., John C. Hutchens, E. C. Wall, Jr..

Business Activities: A holding company, operating supermarkets in North and South Carolina, Tennessee and Virginia through its subsidiary, Harris-Teeter Super Markets, Inc. The company also controls various manufacturing and distribution operations, and is involved in venture capital investments.

Subsidiaries:

Harris-Teeter Super Markets, Inc.
P.O. Box 33129
Charlotte, North Carolina 28233
(704) 567-3000
Operates 113 supermarkets in North and South Carolina, Virginia and Tennessee.

American and Efird Mills, Inc.
Mount Holly, North Carolina
(704) 827-4311
Primarily a manufacturer of industrial sewing thread and also produces sales yarn. A & E operates 10 plants in North Carolina.

Jordan Graphics, Inc.
P.O. Box 668306
Charlotte, North Carolina 28266
(704) 394-2121
Producer and distributor of a broad line of business forms.

Ruddick Investment Company (RIC)
2000 First Union Plaza
Charlotte, North Carolina 28282
(704) 372-5404
Venture capital investments.

Transfer Agent(s):

Wachovia Bank & Trust Co., N.A.
Winston-Salem, North Carolina

Stock Exchange(s): American

Ticker Symbol: RDK

Number of Stores: (at fiscal year end)

1987	113	1984	128
1986	112	1983	70
1985	109		

Sales & Earnings

	Net Sales +	Net Income
1987	$ 971,353,000	$ 14,365,000
1986	883,641,000	13,425,000
1985	881,841,000	12,559,000
1984	730,060,000	13,221,000
1983	541,327,000	10,605,000

	No. of Com. Shares ‡	Earn. per Share ‡
1987	9,590,596	$ 1.50
1986	9,596,279	1.40
1985	9,645,114	1.30
1984	8,845,114	1.49
1983	8,045,114	1.32

+ Of continuing operations only.
‡ Based on the average number of shares outstanding adjusted to reflect stock split.

Revenues by Line of Business
(000's)

	1987	1986
American & Efird Mills	$ 124,112	$ 108,268
Harris-Teeter Super Markets	798,843	731,639
Jordan Graphics, Inc.	48,398	43,734
Total	$ 971,353	$ 883,641

Common Stock

	Cash Dividend‡	Stock Dividend	Stock Split
1987	$ 0.45	—	—
1986	0.42	—	2-for-1
1985	0.38	—	—
1984	0.43	—	—
1983	0.38	—	—

‡ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity ‡	Equity Per Share #
1987	$ 130,260,000	$ 13.58
1986	117,597,000	12.25
1985	108,165,000	11.21
1984	99,277,000	11.22
1983	75,881,000	9.43

‡ After allowing for preference stock at par values.
# Based on the average number of shares outstanding adjusted to reflect stock split.

Income Account *

Year ended	9/27/87	9/28/86
Net sales	$ 971,353,000	$ 883,641,000
Cost of sales	761,324,000	696,067,000
Expenses	174,845,000	161,839,000
Interest expense	5,231,000	4,247,000
Earn. of unconsol. subsid.	(183,000)	(2,834,000)
Other expense	2,424,000	2,043,000
Income before taxes	$ 27,512,000	$ 22,279,000

Ruddick Corporation

Income taxes	13,147,000	8,854,000
Net Income	$ 14,365,000	$ 13,425,000

* Included in Costs and Expenses, Depreciation: $17,647,000 in 1987 and $16,200,000 in 1986.

Assets

As of	9/27/87	9/28/86
Cash	$ 10,389,000	$ 13,310,000
Accts. receiv., net	33,296,000	26,364,000
*Inventories	90,492,000	73,027,000
Other assets	6,653,000	4,035,000
Current Assets	$ 140,830,000	$ 116,736,000
#Fixed assets	139,704,000	126,278,000
Investments & other assets	23,487,000	20,765,000
Total Assets	$ 304,021,000	$ 263,779,000

Liabilities

Long-term debt, curr.	$ 3,107,000	$ 5,630,000
Dividends payable	1,976,000	—
Accts. payable	56,755,000	48,224,000
Income taxes	1,884,000	2,512,000
Accruals	22,298,000	18,349,000
Curr. Liabilities	$ 86,020,000	$ 74,715,000
Long-term debt	59,546,000	47,305,000
Deferred inc. taxes	27,193,000	23,023,000
+Preference stock	1,002,000	1,139,000
++Common stock	9,336,000	9,190,000
Add. paid-in capital	15,716,000	14,086,000
Retained earnings	105,208,000	95,106,000
Treasury stock	—	(785,000)
Total Liabilities & Shareholders' Equity	$ 304,021,000	$ 263,779,000

* At lower of cost (LIFO) or market.
# Less accumulated depreciation.
+ $5 par value.
++ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	2.83	2.52
%Net Income to Sales	1.48	1.52
%Net Income to Equity	10.94	11.31
Sales to Inventories	10.73	12.10
Debt to Equity	0.48	0.45
Working Capital	$ 54,810,000	$ 42,021,000
Current Ratio	1.64	1.56
Shareholders' Equity	$ 131,262,000	$ 118,736,000

Sage-Allen & Co. Inc.

900 Main Street
Hartford, Connecticut 06103
(203) 278-2570

Officers: Lafayette Keeney, chairman of the board, chief executive office & treasurer; Charles Allen Haines, president & chief operating officer; David R. Bonney, sr. v.p. and chief financial officer; Frank L. Toro, v.p.-operations; Michael T. Dorvin, sr. v.p. & gen. mdse. mgr.; Rebecca Gilbert, v.p.-personnel; Craig A. Fleming, v.p.-branch stores; Ronald Catania, v.p. & dir.-loss prevention, Harvey Syde, v.p.-credit operations; Norman G. Novak, v.p.-management info. systems; Susan Scherer, v.p.-sales promotion; Allen Lynn Westphal, secretary.

Directors: Charles Allen Haine, Lafayette Keeney, Bertrand McTeague, Jane A. Merrick, S. Michael Schatz, William K. Walton, Allen Lynn Westphal, Ted J. Crew, David R. Bonney..

Business Activities: Operates a chain of specialty department stores principally in Connecticut.

Transfer Agent(s):

American Stock Transfer Company
99 Wall Street
New York, New York 10005

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SGAL (NASDAQ)

Number of Stores: (at fiscal year end)

1987	14	1984	12
1986	13	1983	12
1985	12		

Sales & Earnings

	Net Sales	Net Income
1987	$ 77,702,291	$ 1,496,806
1986	71,062,480	1,572,849
1985	65,589,973	1,428,780
1984	61,686,587	1,705,157
1983	58,149,965	1,432,917

	No. of Com. Shares +	Earn. per Share #
1987	1,513,423	$ 0.99
1986	1,513,785	1.04
1985	1,515,517	0.94
1984	1,.. 25,267	1.05
1983	1,646,931	0.87

+ Adjusted to reflect stock splits.
# Based on the weighted average number of common shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1987	$ 0.27	—	3-for-2
1986	0.24	—	—
1985	0.27	—	—
1984	0.22	—	3-for-2
1983	0.13	—	—

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share +
1987	$ 17,386,302	$ 11.49
1986	16,315,590	10.78
1985	15,137,983	9.99
1984	14,212,921	9.32
1983	13,598,158	8.26

+ Adjusted to reflect stock splits.

Income Account *

Year ended	1/31/87	2/1/86
Net sales	$ 77,702,291	$ 71,062,480
Cost of sales	45,203,218	42,219,003
Expenses	28,337,558	24,732,358
Interest expense	1,061,059	1,123,674
Other expense (income)	(111,051)	31,680
Income before taxes	$ 3,211,507	$ 2,955,765
Income taxes	1,714,701	1,382,916
Net Income	$ 1,496,806	$ 1,572,849

* Included in Costs and Expenses, Depreciation and Amortization: $1,396,081 in 1987 and $1,246,765 in 1986.

Assets

As of	1/31/87	2/1/86
Cash	$ 1,830,028	$ 82,483
Accts. receiv., net	11,489,631	13,782,993
*Inventories	12,129,532	8,703,462
Prepaid expenses	1,008,576	816,299
Current Assets	$ 26,457,767	$ 23,385,237
#Fixed assets	12,792,629	12,765,794
Other assets	76,017	74,480
Total Assets	$ 39,326,413	$ 36,225,511

Liabilities

Long-term debt, curr.	$ 899,400	$ 893,518
Notes payable	—	1,500,000
Accts. payable	5,023,738	4,019,175
Accruals	3,144,825	2,579,950
Income taxes	1,960,008	3,259,250
Curr. Liabilities	$ 11,027,991	$ 12,251,893
Long-term debt —	7,589,944	6,489,344
Deferred inc. taxes	929,719	707,175
Other liabilities	2,392,457	461,509
+Common stock	170,234	165,496
Add. paid-in capital	1,305,151	1,305,351
Retained earnings	16,891,298	15,855,951
Treasury stock	(980,381)	(959,008)
Total Liabilities & Shareholders Equity	$ 39,326,413	$ 36,225,511

* At cost (LIFO).
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.13	4.16
%Net Income to Sales	1.93	2.21
%Net Income to Equity	8.61	9.64
Sales to Inventories	6.41	8.16
Debt to Equity	0.49	0.54
Working Capital	$ 15,429,776	$ 11,133,344
Current Ratio	2.40	1.91
Shareholders' Equity	$ 17,386,302	$ 16,315,590

J. Sainsbury plc

Stamford House
Stamford Street
London, SE1 9LL, England
01-921-6000

Joint Presidents: Lord Sainsbury of Drury Lane, Sir Robert Sainsbury.

Board of Directors: Sir John Sainsbury, chairman & chief executive; Sir Roy Griffiths, deputy chairman & managing director; D.J. Sainsbury, deputy chairman-finance; G.C. Hoyer Millar, development; J.H.G. Barnes, joint managing director-trading; D.A. Quarmby, joint managing director-non-trading; R.T. Vyner, asst. managing director-buying and marketing; C. Roberts, marketing services-meat, pork products, bakery; R.A. Ingham, dairy, produce, off-license; R.A. Clark, distribution, data processing; D.E. Henson, financial controller; K.C. Worrall, grocery, non-foods; I.D. Croll, development; R. Cooper, meat, pork products, bakery; Sir James Spooner, non-executive; The Rt. Hon. Lord Prior, PC, non-executive; Mrs. D.C. Eccles, non-executive.

Departmental Directors: D.B. Adriano, area director; J.E. Blake, systems strategy; M. Broomfield, area director; A.B. Cheesman, off-license, delicatessen; D.J. Clapham, retail operations; M.D. Conolly, marketing; E.A.Q. Davidson, treasurer; D.J. Graham, distribution; J.G. Grindle, retail operations; C.I. Harvey, area director; M.S. Hughes, bacon, pork products, bakery; I.J. Hunt, marketing services; P. Ibbotson, construction; A.L. Jacobs, data processing; R. McLaren, dairy, frozen foods; A.R. Mathias, distribution; N.F. Matthews, company secretary; I.G. Merton, meat, poultry; M.D. Morgan, grocery; F.E. Netscher, chief accountant; J.R. Phillipson, area director; E.G. Ricketts, merchandising; M. Rosen, non-foods; D.W. Smith,

area director; R. Spencer, scientific services; O.R. Thomas, personnel; R.P. Whitbread, produce.

Business Activities: Operates 279 J Sainsbury supermarkets, a total of 10 small stores and Savacentre supermarkets, all in the United Kingdom. The Company also operates 38 Homebase home improvement and garden centers in the U.K., and 60 Shaw's Supermarkets located in Massachusetts, Maine, and New Hampshire.

Subsidiaries:

Homebase Limited (75%-owned)
J Sainsbury (U.S.A.) Inc.
J Sainsbury (Finance) B.V.
SavaCentre Limited (50%-owned)

Acquisition:

Shaw's Supermarkets, Inc.
140 Laurel Street
East Bridgewater, Massachusetts 02333
(617) 378-7211

Registrars:

National Westminster Bank PLC
Registrar's Department
P.O. Box No. 82
Caxton House, Redcliffe Way
Bristol BS99 7NH, England

Stock Exchange(s): London

Number of Stores: (at fiscal year end)

1988	387	1985	300
1987	321	1984	281
1986	314		

Sales & Earnings

	Net Sales (000's)	Net Income † (000's)
1988	£ 5,009,500	£ 199,400
1987	4,043,500	158,000
1986	3,575,200	127,300
1985	3,135,300	108,400
1984	2,688,500	89,000

	No. of Com. Shares†	Earn. per Share † ‡
1988	1,493,569,360	13.63p
1987	1,425,872,146	11.34
1986	N.A.	8.96
1985	N.A.	7.32
1984	N.A.	6.13

N.A. - Not Available.
£ - pound sterling.
† Before minority interest.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend+	Stock Dividend	Stock Split
1988	4.20p	—	2-for-1
1987	3.50	—	—
1986	2.75	—	—
1985	2.25	—	—
1984	1.88	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity (000's)	Equity Per Share+ (000's)
1987	£ 1,024,400	68.59p
1986	781,300	54.79

+ Adjusted to reflect stock split.

Income Account *
(000's)

Year ended	3/19/88	3/21/87
Net sales	£ 5,009,500	£ 4,043,500
VAT & sales taxes	218,000	186,400
Cost of sales	4,397,400	3,542,900
Expenses	98,400	81,700
Oper. income	(9,800)	(9,100)
Interest income	(8,600)	(8,600)
Assoc. share of profit	(18,200)	(17,500)
Profit sharing	23,900	21,300
Income before taxes	£ 308,400	£ 246,000
Income taxes	109,000	88,000
Minority interest	(300)	(300)
Net Income	£ 199,700	£ 158,300

* Included in Costs and Expenses, Depreciation £ 63,400,000 in 1988 and £ 49,800,000 in 1987.

Assets
(000's)

As of	3/19/88	3/21/87
Cash	£ 68,800	£ 55,100
ACT recoverable	14,700	13,100
Accts. receiv., net	31,800	39,800
*Inventories	239,600	178,600
Current Assets	£ 354,900	£ 286,600
Investments	67,700	65,870
#Fixed assets	1,742,500	1,264,800
Total Assets	£ 2,165,100	£ 1,617,200

Liabilities
(000's)

Bank overdrafts	£ 109,200	£ 23,500
Notes payable	30,000	7,000
Unpresented cheques	75,600	58,500
Long-term debt, curr.	4,000	—
Accts. payable	380,500	305,100
Other payables	125,500	147,500
Accruals	34,200	15,100
Amts. owed to assoc.	6,700	—
Income taxes	91,900	83,300
Other taxes	11,300	8,400
Proposed dividend	44,100	35,300
Curr. Liabilities	£ 913,000	£ 683,700
Long-term debt	212,400	135,600
Minority interest	6,800	7,200
Deferred income	3,300	8,100
Deferred inc. taxes	5,200	1,300
+Common stock	373,400	178,200
Add. paid-in capital	165,900	34,100
Revaluation reserve	40,300	28,500
Profit and loss acct.	444,800	540,500
Total Liabilities & Shareholders' Equity	£ — 2,165,100	£ 6,617,200

* At lower of cost and net realizable value.
# Less accumulated depreciation.
+ 25p par value.

Statistical Summary

%Income bef. Taxes to Sales	6.16	6.11
%Net Income to Sales	3.99	3.91
%Net Income to Equity	19.49	20.25
Sales to Inventories	20.91	22.64
Debt to Equity	0.24	0.18
Shareholders' Equity	£1,024,400,000	£ 781,300,000

The Samsung Group

Samsung Main Building
250 2-ka Taepyung-ro Chung-ku
Seoul, Korea

Executives: Byung-Chull Lee, chairman of the board-Samsung Group; Kun-Hee Lee, vice chairman-Samsung Group; Hyon-Hwak Shin, chairman-Samsung Co., Ltd.; Joon-Sung Kim, chairman-Samsung Electronics Co., Ltd.; Jae-Un Chung, vice chairman-Samsung Co., Ltd.; Phil-Gon Rhee, president-Samsung Co., Ltd.; Yung-Hi Sohn, president-Cheil Sugar & Co., Ltd.; Dae-Won Lee, president-Cheil Wool Textile Co., Ltd.; Chun-Hwa Lee, president-Cheil Synthetic Textile Co., Ltd.; Hoon-Chull Shin, president-Samsung Aerospace Industries Co., Ltd.; Hyoung-Soo Han, president-Samsung Corning Co., Ltd.; Joo-In Suh, president-Samsung Electro-Mechanics Co., Ltd.; Pyung-Kun Sung, president-Samsung Petrochemical Co., Ltd.; Kwan-Shik Choi, president-Samsung Shipbuilding & Heavy Industries Co., Ltd. and Korea Engineering Co., Ltd.; Ki-Suk Park, president-Samsung Construction Co., Ltd.; Jin-Ku Kang, president-Samsung Semiconductor & Telecommunications Co., Ltd.; Sae-Chang Song, president-Semiconductor & Telecommunications Co., Ltd; Jung-Sang Kim, president-Samsung Watch Co., Ltd.; Sang-Ho Jeun, president-Samsung Data Systems Co., Ltd.; In-Ho Kim, president-Chonju Paper Manufacturing Co., Ltd. and Hotel Shilla Co., Ltd.; Soo-Hwan Lee, president-Joong-ang Development Co., Ltd.; Si-Hwan Ahn, president-Samsung Electronics Co., Ltd.; Jung-Bae Kim, president-Samsung Electronic Devices Co., Ltd.; Kyung-Shik Sohn, president-Ankuk Fire & Marine Insurance Co., Ltd.; Soo-Bin Lee, president-Dongbang Life Insurance Co., Ltd. Han-Sup Ryu, president-Shinsegae Department Store Co., Ltd.; Woon-Hai Cho, chairman-Koryo General Hospital.

Business Activities: In the Retail area, the Company operates the Shinsegae Department Store in downtown Seoul, Korea, and two branches at Yeongdeungpo and the Dongbang Plaza, Korea. Other activities include the manufacture of a wide variety of electronic and precision products, industrial machinery, chemicals and textiles; food processing, insurance, hotel services, and the operation of newspapers and magazines.

Subsidiaries (Korea):

Samsung Co., Ltd.
26th Floor, Samsung Main Building
250 2-ka Taepyung-ro. Chung-ku. C.P.O. Box 1144
Seoul, Korea
751-2114

Cheil Sugar & Co., Ltd.
18th Floor Dongbang Main Bldg.
150 2-ka, Taepyung-ro. Chung-ku. C.P.O. Box 1155
Seoul, Korea
7518-114

Cheil Wool Textile Co., Ltd.
8th Floor Samsung Main Bldg.
250 2-ka Taepyung-ro. Chung-ku. C.P.O. Box 1955
Seoul, Korea
751-2114

Cheil Synthetic Textiles Co., Ltd.
19th Floor Dongbang Main Bldg.
150 2-ka Taepyung-ro Chung-ku. C.P.O. Box 3913
Seoul, Korea
7518-114

Chonju Paper Mfg. Co., Ltd.
21th Floor Donbang Main Bldg.
150 2-ka Taepyung-ro Chung-ku.
Seoul, Korea
755-6619
755-2357

Joong-Ang Development Co., Ltd.
12th Floor, Samsung Bldg.
50 1-ka Ulchi-ro Chung-ku
Seoul, Korea
777-5801

Samsung Electronics Co., Ltd.
18th Floor Joong-ang Daily News Bldg.
7 Soonhwa-dong Chung-Ku
C. P. O. Box 2775
Seoul, Korea
751-6114

Samsung Electron Devices Co., Ltd.
3-8th Floor Joong-ang Daily News Bldg.
7 Soonhwa-dong Chung-ku
Seoul, Korea
755-2333

Samsung Aerospace Industries Ltd.
16th Floor Dongbang Main Bldg.,
150 2-ka Taepyung-ro Chung-ku
Seoul, Korea
7518-114

Samsung Corning Co., Ltd.
472 Sin-ri Taean-up Whasung-kun
P.O. Box 32 Suwon
Kyungki-do, Korea
7515-114
(0331) 33-5588

Samsung Electro-Mechanics Co., Ltd.
314 Maetan-dong Suwon-si
Kyungki-do
Korea
7512-114
(0331) 33-5511

Samsung Petrochemical Co., Ltd.
10th Floor Dongbang Main Bldg.,
150 2-ka Taepyung-ro Chung-ku
Seoul, Korea
7518-821/31

Samsung Shipbuilding & Heavy Industries Co., Ltd.
19-20 Floor Samsung Main Bldg.
250 2-ka Taepyung-ro Chung-ku C.P.O. Box 3384
Seoul, Korea
751-2214

Ankuk Fire & Marine Insurance Co., Ltd.
6th Floor Samsung Bldg.,
50 1-ka Ulchi-ro Chung-ku C.P.O. Box 469
Seoul, Korea
771-42

Dongbang Life Insurance Co., Ltd.
Dongbang Main Bldg.,
150 2-ka Taepyung-ro Chung-ku
Seoul, Korea
7518-14

Shinsegae Department Store Co., Ltd.
52-5 1-ka Chungmu-ro Chung-ku
Seoul, Korea
754-1234

Koryo General Hospital
108 Pyeong-dong Chongno-ku
C.P.O. Box 3452
Seoul, Korea
739-3211/20

Hotel Shilla Co., Ltd.
202 2-ka Jangchung-dong Chung-ku
Seoul, Korea
233-3131

Samsung Construction Co., Ltd.
5th Floor Joong-ang Bldg.
58-9 Seosomun-dong Chung-ku C.P.O. 8526
Seoul, Korea
757-8877

Samsung Electronics U.K. Ltd.
9th Floor Joong-ang Bldg.
58-9 Seosomun-dong Chung-ku C.P.O. Box 4351
Seoul, Korea
757-9900

Samsung Semiconductor & Telecommunication Co., Ltd.
26th Floor Dongbang Main Bldg.,
150 2-ka Taepyung-ro Chung-ku C.P.O. Box 8233
Seoul, Korea
771-78

Samsung Watch Co., Ltd.
7th Floor Samsung Main Bldg.,
250 2-ka Taepyung-ro Chung-ku C.P.O. Box 1806
Seoul, Korea
751-2114

Samsung Medical Systems Co., Ltd.
429-1 Sin-ri Taean-up
Hwasung-gun, Kyungki-do
745-5491/4

Samsung Hewlett Packard Co.,
36-1 Youido-dong Youngdeungpo-ku
Seoul, Korea
784-2666

The Joong-Ang Daily News
Joong-ang Daily News Bldg.,
7 Soonhwa-dong Chung-ku
Seoul, Korea
7515-114

Samsung Data Systems Co., Ltd.
6th Floor Samsung Main Bldg.
250 2-ka Taepyung-ro Chung-ku C.P.O. Box 4283
Seoul, Korea
756-6313

Subsidiaries (U.S.A.)

Samsung Electronics America Inc.
301 May Hill Street
Saddlebrook, New Jersey 07662
(201) 587-9600
(201) 587-0010

Samsung International
One Samsung Place
Ledgewood, New Jersey 07852
(201) 347-8004

Samsung America Inc.
One Executive Drive
Fort Lee, New Jersey 07024
(201) 592-7900
(212) 227-9770

Samsung Pacific International Inc.,
1425 East Firestone Blvd.
La Mirada, California 90638
802-2211

Samsung Steel (U.S.A.) Inc.,
1333 West Loop South Suite 1180
Houston, Texas 77027
(713) 960-1910

Samsung Semiconductor Inc., (U.S.A.)
5150 Great America Parkway
Santa Clara, California 95054
408-980-1630

Eugene Tech Int'l Inc.,
4 Pear Court Allendale Park
Allendale, New Jersey 07401
(201) 391-6498

Number of Stores

1986 3

Sales & Earnings

	Net Sales (millions)	Net Income (millions)
1986	W 14,615,742	W 161,150
1985	12,230,639	97,598
1984	8,680,328	N.A.
1983	6,023,770	N.A.
1982	5,018,516	N.A.

W - Korean Won
N.A. - Not Available

Revenues by Line of Business
(million's)

	1986	1985
Exports,imports,domestic mktng	W 4,275,449	W 3,801,711
Electronic	2,951,240	2,322,630
Industrial	436,550	516,134
Chemical	102,989	111,827
Engineering	439,361	455,899
Newsprint	120,029	86,919
Jet engines	89,682	74,043
Digital elec.	39,069	29,290
Food products	544,926	471,485
Textile	403,595	358,003
Other	4,894,930	3,790,358

Common Stock Equity

	Total Equity (million's)	Equity Per Share
1986	W 1,101,851	—
1985	981,496	—

Income Account *
(million's)

Year ended Dec. 31	1986	1985
Net sales	W 14,615,742	W 12,230,639
Other income	196,915	121,802
Total income	W 14,812,657	W 12,352,441
Cost of sales	13,128,950	11,030,355
Expenses	923,776	705,113
Interest expense	378,395	339,799
Other expense	161,010	150,801
Income before taxes	W 220,526	W 126,373
Income taxes	59,376	28,775
Net Income	W 161,150	W 97,598

* Included in Costs and Expenses, Depreciation and Amortization: W278,352,000,000 in 1986 and W263,578,000,000 in 1985.

Assets
(million's)

As of Dec. 31	1986	1985
Cash	W 423,018	W 374,320
Marketable securities	68,834	65,713
Notes receivable	314,034	216,371
Accts. receiv., net	878,747	842,760
*Inventories	867,604	675,381
Other curr. assets	2,503,814	1,774,684
Current Assets	W 5,056,051	W 3,949,229
Investments	1,185,966	860,492
#Fixed assets	2,948,443	2,322,973
Other assets	240,784	205,022
Total Assets	W 9,431,244	W 7,337,716

Liabilities
(million's)

	1986	1985
Notes payable	W 378,706	W 250,107
Short-term loans	1,327,794	1,185,842
Long-term debt, curr.	501,452	318,618
Accts. payable	289,688	226,315
Accruals	151,872	149,025
Advances from cust.	119,251	78,112
Other accruals	392,228	188,424
Curr. Liabilities	W 3,160,991	W 2,396,443
Debentures	320,964	438,941
Long-term debt	1,271,067	1,044,554
Reserves	136,049	98,522
Other liabilities	3,440,322	2,447,760
Common stock	555,742	458,464
Add. paid-in capital	207,409	199,421
Retained earnings	338,700	233,611
Total Liabilities & Shareholders' Equity	W 9,431,244	W 7,337,716

Less accumulated depreciation.

Statistical Summary
(thousands)

%Income bef. Taxes to Sales	1.51	1.03
%Net Income to Sales	1.10	0.80
%Net Income to Equity	14.63	10.95
Sales to Inventories	16.85	18.11
Debt to Equity	3.16	3.14
Working Capital	W1,895,070,000	W1,552,786,000
Current Ratio	1.60	1.65
Shareholders' Equity	W1,101,851,000	W 891,496,000

Schultz Sav-O Stores, Inc.

2215 Union Avenue
Sheboygan, Wisconsin 53081
(414) 457-4433

Officers: James H. Dickelman, chairman of the board, president & chief exec. officer; J. D. Ison, exec. v.p. & dir.-corp. operations; Thomas Fox, v.p. & dir.-retail operations; Oscar O. Ward, v.p. & dir.-meat operations; Frank D. Welch, v.p. & dir.-store engineering & development; Robert A. Hobart, v.p. & dir.-mgmt. info. services; John H. Dahly, sr. v.p. & chief financial officer; Jacob A. Stroo, secretary; Michael Houser, v.p. & dir.-marketing; David Sweeney, v.p. & dir.-Sheboygan distribution & transportation; Carl Luecke, v.p. & dir.-produce.

Directors: James H. Dickelman*, Gerald G. Grube, Jacob A. Stroo, Bernard S. Kubale, J. D. Ison*, Thomas Fox, John H. Dahly*, Howard C. Dickelman, Robert L. Wuerzberger.

* Member of the Executive Committee

Business Activities: Operates 28 corporate-owned Piggly Wiggly supermarkets and 12 Sav-U stores in Wisconsin and Illinois and supplies 38 franchise stores in east-central Wisconsin. In addition to servicing this group, the Company also supplies dry groceries, fresh produce, dairy and meat products to approximately 90 independent retail food operations in Wisconsin and Illinois.

Division:

Springtime Beverage Division

Transfer Agent(s):

First Interstate Trust Company of Wisconsin
Sheboygan, Wisconsin

Stock Exchange(s): Over-the-Counter

Number of Stores: (at fiscal year end) *

1987	40	1984	38
1986	39	1983	39
1985	40		

* Corporate-owned stores only.

Sales & Earnings

	Net Sales	Net Income
1987	$ 412,732,000	$ 2,701,000
1986*	406,611,000	2,394,000
1985	383,144,000	1,527,000
1984	367,574,679	1,110,764
1983	368,813,385	1,109,805

	No. of Com. Shares ‡	Earn. per Share †
1987	1,443,908	$ 1.87
1986*	1,407,108	1.70
1985	1,407,224	1.08
1984	1,403,268	0.80
1983	1,355,064	0.59

* 53 weeks.
‡ Adjusted to reflect stock split.
† Based on the weighed average number of common shares outstanding during each year adjusted to reflect stock split.

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1987	$ 0.16	—	4-for-1
1986	0.15	—	—
1985	0.13125	—	—
1984	0.125	—	—
1983	0.125	—	—

‡ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity ‡	Equity Per Share †
1987	$ 15,699,000	$ 10.87
1986	12,869,000	9.15
1985	10,695,000	7.60
1984	9,348,421	6.66
1983	8,261,104	6.10

‡ After allowing for preferred stock at par value of $100 per share.
† Adjusted to reflect stock split.

Income Account *

Year ended	1/2/88	1/3/87 (53 weeks)
Net sales	$ 412,732,000	$ 406,611,000
Cost of sales	400,945,000	395,035,000
Expenses	6,031,000	5,903,000
Interest expense	1,383,000	1,396,000
Other income	(322,000)	(559,000)
Income before taxes	$ 4,695,000	$ 4,836,000
Income taxes	1,994,000	2,442,000
Net Income	$ 2,701,000	$ 2,394,000

* Included in Costs and Expenses, Depreciation and Amortization: $3,885,000 in 1987 and $3,444,000 in 1986.

Assets

As of	1/2/88	1/3/87
Cash	$ 2,329,000	2,158,000
Accts. receiv., net	3,149,000	3,186,000
*Inventories	19,558,000	20,302,000
Prepaid expenses	310,000	251,000
Receiv. under capital sublease agrmts., curr.	254,000	271,000
Current Assets	$ 25,600,000	$ 26,168,000
Investments & other assets	1,851,000	1,970,000
#Fixed assets	21,785,000	17,043,000
Receiv. under capital sublease agrmts.	2,190,000	2,904,000
Leased property	3,047,000	3,013,000
Total Assets	$ 54,473,000	$ 51,098,000

Liabilities

Long-term debt, curr.	$ 986,000	$ 852,000
Accts. payable	13,536,000	15,808,000
Accruals	4,096,000	3,965,000
Reserve for income taxes	1,374,000	1,301,000
Oblig. under capital lease, curr.	765,000	890,000
Notes payable	2,000,000	—
Curr. Liabilities	$ 22,757,000	$ 22,816,000
Long-term debt	8,814,000	7,135,000
Oblig. under capital lease	5,505,000	6,132,000
Deferred inc. taxes	1,398,000	1,846,000
+Preferred stock	300,000	300,000
++Common stock	361,000	352,000
Add. paid-in capital	2,304,000	1,946,000
Retained earnings	13,034,000	10,571,000
Total Liabilities & Shareholders' Equity	$ 54,473,000	$ 51,098,000

* At cost which is not in excess of market.
# Less accumulated depreciation and unamortized investment credit.
+ $100 par value.
++ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	1.14	1.19
%Net Income to Sales	0.65	0.59
%Net Income to Equity	16.88	18.18
Sales to Inventories	21.10	20.03
Debt to Equity	1.13	1.14
Working Capital	$ 2,843,000	$ 3,352,000
Current Ratio	1.12	1.15
Shareholders' Equity	$ 15,999,000	$ 13,169,000

Scotty's, Inc.

5300 North Recker Highway
Winter Haven, Florida 33882
(813) 299-1111

Mailing address:
P.O. Box 939
Winter Haven, Florida 33882

Officers: James W. Sweet, chairman of the board and chief executive officer; Dennis W. Stults, president & chief operating officer; Harold W. Taylor, sr. v.p., secretary & chief financial officer; Hugh Tuttle, v.p. & sr. regional mgr.; Dan Maffett, v.p. & general sales mgr.; James E. Howe, v.p.-employee relations; Richard W. Martineau, exec. v.p.; Owen Fender, v.p. & general credit manager; James Church, v.p.-mgmt. info. services; Orbin Sexson, v.p.-warehousing; Kevin Fitzgerald, sr. v.p.-purchasing & distribution; Robert Cawein, v.p.-transportation; David J. Bryant, v.p.-commercial sales manager; Thomas B. Cook, v.p. & regional mgr.; Richard D. Clark, v.p.-real estate; Tim R. Kessler, v.p. & director-purchasing; Robert A. Stanton, v.p. & director-purchasing.

Directors: James W. Sweet, chairman; Ray H. Cooney, Dennis W. Stults, Harold W. Taylor, Rolland A. Maxwell, John B. Ellis, Francois Vazelaire, Sherwin P. Simmons, John M. Miller, P. Scott Linder, Jacques A. M. Dopchie.

Business Activities: Operates a chain of building supply stores primarily in the state of Florida. Stores operate under the name 'Scotty's,' 'Scotty's Hardware,' and 'Scotty's Factory Outlet Warehouse.'

Transfer Agent(s):

Morgan Shareholder Services Trust Company
30 West Broadway
New York, New York 10007

Stock Exchange(s): New York

Ticker Symbol: SHB

Number of Stores: (at fiscal year end)

1987	141	1984	110
1986	130	1983	102
1985	116		

Sales & Earnings

	Net Sales	Net Income
1987	$ 515,274,000	$ 10,296,000
1986	493,895,000	13,524,000
1985	453,444,000	17,507,000
1984	424,537,000	18,059,000
1983	358,982,000	11,316,000

	No. of Com. Shares †	Earn. per Share ‡
1987	14,608,000	$ 0.71
1986	14,470,000	0.93
1985	14,337,000	1.29
1984	13,243,000	1.39
1983	11,902,000	0.98

† Adjusted to reflect stock split.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1987	$ 0.52	—	—
1986	0.52	—	—
1985	0.52	—	—
1984	0.44	—	—
1983	0.40	—	3-for-2

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	$ 172,910,000	$ 11.84
1986	168,547,000	11.65
1985	160,909,000	11.22
1984	139,930,000	10.57
1983	112,264,000	9.43

‡ Adjusted to reflect stock split.

Income Account

Year ended	6/27/87	6/28/86
Net sales	$ 515,274,000	$ 493,895,000
Cost of sales	355,455,000	337,655,000
Expenses	126,998,000	119,596,000
Depreciation	12,972,000	11,601,000
Interest expense	6,169,000	4,257,000
Non-operating income	(6,316,000)	(2,600,000)
Income before taxes	$ 19,996,000	$ 23,386,000
Income taxes	9,700,000	9,862,000
Net Income	$ 10,296,000	$ 13,524,000

Assets

As of	6/27/87	6/28/86
Cash & cash equiv.	$ 3,380,000	3,556,000
Marketable securities	457,000	8,183,000
Accts. receiv., net	22,845,000	20,820,000
* Inventories	114,095,000	104,347,000
Other assets	1,993,000	1,727,000
Current Assets	$ 142,770,000	$ 138,633,000
# Fixed assets	161,641,000	149,189,000
Other assets	1,103,000	1,083,000
Total Assets	$ 305,514,000	$ 288,905,000

Liabilities

Short-term borrowings	$ 7,026,000	$ 7,187,000
Long-term debt, curr.	4,131,000	3,840,000
Accts. payable & accruals	58,423,000	46,571,000
Income taxes	—	512,000
Curr. Liabilities	$ 69,580,000	$ 58,110,000
Long-term debt	52,896,000	36,520,000
Deferred income taxes	10,128,000	5,728,000
+ Common stock	14,608,000	14,470,000
Add. paid-in capital	66,708,000	65,197,000
Retained earnings	91,594,000	88,880,000
Total Liabilities & Shareholders' Equity	$ 305,514,000	$ 288,905,000

* At lower of cost (LIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	3.88	4.74
%Net Income to Sales	2.00	2.74
%Net Income to Equity	5.95	8.02
Sales to Inventories	4.52	4.73
Debt to Equity	0.31	0.40
Working Capital	$ 73,190,000	$ 80,523,000
Current Ratio	2.05	2.39
Shareholders' Equity	$ 172,910,000	$ 168,547,000

Seaman Furniture Company, Inc.

70 Charles Lindbergh Boulevard
Uniondale, New York 11553
(516) 227-1503

Officers: Morton Seaman, president & chief exec. officer; Carl Seaman, exec. v.p. & treasurer; Steven Halper, sr. v.p.-operations & secretary; Lewis Stein, v.p.-finance & chief financial officer; Ralph Bank, v.p.-store development & real estate; Jack Curtis, sr. v.p.-sales; Richard Scoby, v.p.-advertising; Leonard Cacioppo, v.p.-sales training; Rubin Abrams, v.p.-hard lines; Alan Rosenberg, v.p.-soft lines; Jeffrey Seaman, v.p.-merchandising; Jordan Seaman, v.p.-marketing; Anthony DiComo, v.p.-operations; Kenneth Leffler, v.p. & corp. controller; Joseph Prendamano, v.p.-credit; Lewis Rothstein, v.p.-mgmt. info. systems; Mario Tomiatti, v.p.-sales; Robert Webber, associate corp. counsel & asst. secretary; Joseph Menton, dir.-warehousing & distribution; Howard Levitt, divisional controller.

Directors: Harry Berger, George De Genaro, Carl Seaman, Jeffrey Seaman, Jordan Seaman, Morton Seaman, Irwin W. Silverberg.

Business Activities: Operates 23 furniture stores, and two clearance centers in the New York-New Jersey metropolitan area and four furniture stores in the Philadelphia metropolitan area. These outlets sell a variety of furniture in contemporary, traditional and colonial styles to the price-conscious, middle-income consumer.

Transfer Agent(s):

Harris Trust Company of New York
110 William Street
New York, New York 10038

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SEAM (NASDAQ)

Number of Stores: (at fiscal year end)

1987 ..... 29 1986 27

Sales & Earnings

	Net Sales	Net Income
1987	$ 224,785,000	$ 15,180,000
1986	168,696,000	11,261,000 +
1985	136,110,000	8,826,000 +
1984	101,648,000	5,857,000 +
1983	72,131,000	3,948,000 +

	No. of Com. Shares †	Earn. per Share ‡
1987	13,624,400	$ 1.12
1986	13,200,000	0.86+
1985	12,628,000	0.70+
1984	12,628,000	0.47+
1983	10,607,520	0.32+

+ Pro forma.
† Adjusted to reflect stock split.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	$ 43,185,000	$ 3.17
1986	20,968,000	1.59
1985	9,917,000	0.79
1984	12,551,000	0.99
1983	10,516,000	0.99

‡ Adjusted to reflect stock split.

Income Account *

Year ended Apr. 30	1987	1986
Net sales	$ 224,785,075	$ 168,695,577
Other income	5,248,897	3,221,008
Total income	$ 230,033,972	$ 171,916,585
Cost of sales	141,527,511	106,670,278
Expenses	56,926,124	41,784,924
Income before taxes	$ 31,580,337	$ 23,461,383
Income taxes	16,400,000	10,698,000
Net Income	$ 15,180,337	$ 12,763,383

* Included in Costs and Expenses, Depreciation and Amortization: $2,028,815 in 1987 and $1,187,550 in 1986.

Assets

As of Apr. 30	1987	1986
Cash & temp. invest.	$ 12,188,441	$ 8,266,002
Marketable securities	891,905	6,940,152
Accts. receiv., net	25,556,192	10,512,680
*Inventories	22,805,662	14,420,998
Prepaid expenses	1,223,306	994,169
Current Assets	$ 62,663,506	$ 41,134,001
#Fixed assets	27,637,771	9,249,548
Leased prop. under cap. leases	10,992,728	4,557,448
Other assets	713,680	642,177
Total Assets	$ 102,007,685	$ 55,583,174

Liabilities

Accts. payable	$ 16,049,537	$ 9,163,464
Accruals	7,678,780	4,354,167
Cust. deposits	11,533,349	8,886,255
Income taxes	3,474,604	5,559,049
Deferred income taxes	708,900	742,700
Curr. Liabilities	$ 39,445,170	$ 28,705,635
Oblig. under cap. leases	11,637,491	4,597,324
Long-term debt	7,126,786	—
Deferred inc. taxes	613,600	1,311,900
+Common stock	136,244	66,000
Add. paid-in capital	12,687,249	5,721,507
Retained earnings	30,361,145	15,180,808
Total Liabilities & Shareholders' Equity	$ 102,007,685	$ 55,583,174

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	14.05	13.91
%Net Income to Sales	6.75	7.57
%Net Income to Equity	35.15	60.87
Sales to Inventories	9.86	11.70
Debt to Equity	2.86	0.22
Working Capital	$ 23,218,336	$ 12,428,366
Current Ratio	1.59	1.43
Shareholders' Equity	$ 43,184,638	$ 20,968,315

Sears Canada Inc.

(60.5% interest owned by Sears, Roebuck and Co.)

222 Jarvis Street
Toronto, Ontario M5B 2B8 Canada
(416) 362-1711

Officers: C. Richard Sharpe, chairman of the board & chief exec. officer; Laurence E. Crutmore, president & chief operating officer; Maurice F. Anderson, v.p.-info. systems; Harold J. Mandel, v.p.-real estate & facilities; Neil M. Whitmore, v.p.-distribution; J. J. Michael Eagan, v.p.,

secretary & corp. counsel; Donald S. Shaffer, v.p.-field sales operations; William R. Turner, v.p.-merchandising; Walter G. Pridham, v.p.-public affairs & corporate planning; Leslie Visosky, v.p.-personnel; Larry Gintther, v.p.-finance & treasurer; Richard C. McMillan, v.p.-credit; Bruce W. McLaren, corp. comptroller.

Directors: M. F. Belanger, H. Corrigan, W. A. Dimma, M. E. Jones, A. H. Mingay, A. Powis, O. Joseph Reddington, C. R. Sharpe, J. M. Tory, W. P. Wilder, J. H. Bstogowski, M. Bozic, Laurence E. Cudmore, John F. Wirth.

Business Activities: Operates 80 retail department stores, and 1,639 catalogue sales units in Canada.

Transfer Agent(s):

The Royal Trust Company
Toronto, Ontario
Montreal, Quebec
Calgary, Alberta

Stock Exchange(s): Toronto, Montreal.

Ticker Symbol: SCC

Number of Stores (at fiscal year end)

1987	80	1984	74
1986	77	1983	73
1985	75		

Sales & Earnings x

	Net Sales (000's)	Net Income ‡ (000's)
1987	$ 4,035,098	$ 106,860
1986	3,889,114	78,697
1985	3,789,214	86,056
1984	3,652,320	36,175
1983†	3,502,068	33,572

	No. of Com. Shares	Earn. per Share #‡
1987	87,436,533	$ 1.22
1986	87,458,213	0.90
1985	87,327,913	0.99
1984	87,306,983	0.41
1983†	87,306,983	0.38

X Restated to reflect change in accounting method.
† Unaudited.
‡ Including extraordinary gains of $24,786,000 ($0.28 per share) in 1987, $350,000 in 1986 and $11,745,000 ($0.14 per share) in 1985.
# Based on the weighted average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	$ 0.24	—	—
1986	0.24	—	—
1986	0.20	—	—
1984	0.20	—	—
1983	0.20	—	—

Common Stock Equity‡

	Total Equity	Equity Per Share
1987	$ 824,536,000	$ 9.43
1986	738,951,000	8.45
1985	697,074,000	7.98
1984	628,318,000	7.20
1983	609,604,000	6.98

‡ Restated.

Income Account
(000's)

Year ended Dec. 31	1987‡	1986
Net sales	$ 4,035,098	$ 3,889,114
Cost of sales & exp.	3,665,674	3,530,292
Depreciation	44,028	39,979
Interest expense	143,535	139,858
Misc. taxes	42,668	41,146
Income before taxes	$ 139,193	$ 137,839
Income taxes	68,004	68,557
Eq. in earn. of assoc. cos.	(10,885)	(9,065)
Net Income	$ 82,074	$ 78,347
Extraord. gain	24,786	350
Net Income & Extraord. gain	$ 106,860	$ 78,697

‡ Restated.

Assets
(000's)

As of Dec. 31	1987	1986 ‡
Cash	$ 8,482	$ 6,972
Accts. receiv., net	1,270,408	1,167,074
*Inventories	740,047	713,813
Prepaid expenses	72,067	80,178
Current Assets	$ 2,091,004	$ 1,968,037
Investments & other assets	78,476	75,491
#Fixed assets	360,508	411,532
Unamort. exp.	92,464	72,369
Total Assets	$ 2,622,452	$ 2,527,429

Liabilities
(000's)

Notes payable	$ 383,101	$ 335,885
Long-term debt, curr.	79,121	148,513
Accts. payable	184,817	207,102
Accruals	201,906	180,312
Income & other taxes	94,050	55,606
Curr. Liabilities	$ 942,895	$ 927,418
Long-term debt	808,202	810,431
Deferred inc. taxes	46,819	50,629
+Capital stock	272,634	272,430
Retained earnings	551,912	466,521
Total Liabilities & Shareholders' Equity	$ 2,622,452	$ 2,527,429

‡ Restated.
* At lower of approximate cost or net realizable value.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	3.45	3.54
%Net Income to Sales	2.03	2.01
%Net Income to Equity	9.95	10.60
Sales to Inventories	5.45	5.45
Debt to Equity	1.54	1.72
Working Capital	$ 1,148,109	$ 1,040,619
Current Ratio	2.22	2.12
Shareholders' Equity	$ 824,536,000	$ 738,951,000

Sears, Roebuck and Co.

Sears Tower
Chicago, Illinois 60684
(312) 875-2500

Officers: Edward A. Brennan, chairman of the board & chief exec. officer; Richard M. Jones, president; James M. Denny, sr. v.p. & chief financial officer; Charles F. Moran, sr. v.p. & chief information officer; David Shute, sr. v.p., corp. general counsel & secretary; Randolf H. Aires, v.p.-governmental affairs; Robert F. Gurnee, v.p. & treasurer; Charles J. Ruder, v.p.-corporate public affairs; Allan B. Stewart, sr. v.p.-corporate administration & planning; David P. Norum, v.p.-taxes; John S. Vivian, v.p. & corporate comptroller; Warren F. Cooper, v.p.-corporate personnel.

Directors: Edward R. Telling*, Edward A. Brennan*, E. Mandell de Windt, Richard M. Jones*, Sybil Collins Mobley, Norma Pace, Nancy C. Reynolds, Clarence B. Rogers, Jr., Donald H. Rumsfeld*, Edgar B. Stern, Jr.*, Warren L. Batts*, Michael Bozic, Albert V. Casey, Richard J. Haayen, Arthur J. Hill, Philip J. Purcell.

* Member of the Executive Committee

Areas of Work: The world's largest retailer of general merchandise, Sears distributes broad lines of its own brand name goods through some 2,346 selling locations (including 1,701 independent catalog merchants) located in 50 states, Puerto Rico and Central America. The Company also operates 813 general merchandise retail stores, and 287 specialty stores, including 109 surplus stores, 69 business systems centers, 77 paint and hardware stores, and 41 eye care centers. Sears is also engaged in the property-liability and life insurance businesses through the wholly owned Allstate Insurance Company. Provides a full-service real estate network through its Coldwell Banker Real Estate Group. The Dean Witter Financial Services Group conducts investment and other financial service activities. Sears has a 60.5% ownership position in Sears Canada Inc., which conducts a retail store and catalog order business in Canada.

Major Divisions:

Dean Witter Financial Services Group
Coldwell Banker Real Estate Group
Allstate Insurance Group
Sears Merchandise Group

Major Subsidiary:

Sears Canada Inc. (60.5% owned)
Toronto, Ontario, Canada

Eye Care Centers of America, Inc.
Operates 41 eye care centers across the Southwest.

Pinstripes Petites, Inc.
Women's specialty store chain.

Transfer Agent(s):

Morgan Shareholders Services Trust Company
30 West Broadway
New York, New York 10007

Stock Exchange(s): New York, Midwest, Pacific, London, Basel, Geneva, Lausanne, Zurich, Amsterdam, Tokyo, Paris, Frankfurt

Ticker Symbol: S

Number of Stores: (at fiscal year end)*

1987	813	1984	798
1986	806	1983	813
1985	799		

* Excludes specialty stores.

Sales & Earnings

	Revenues (000's)	Net Income (000's)
1987	$ 48,440,000	$ 1,649,000
1986	44,281,000	1,351,000
1985	40,715,000	1,303,000
1984	38,828,000	1,455,000
1983	35,883,000	1,342,000

	No. of Com. Shares †	Ears. per Share †
1987	378,000,000	$ 4.35
1986	369,000,000	3.62
1985	363,000,000	3.53
1984	358,000,000	4.01
1983	353,000,000	3.80

† Based on the average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	$ 2.00	—	—
1986	1.76	—	—
1985	1.76	—	—
1984	1.76	—	—
1983	1.52	—	—

Common Stock Equity

	Total Equity (000's)	Equity Per Share
1987	$ 13,587,600	$ 35.89
1986	12,796,600 ‡	33.98
1985	11,564,000 ‡	31.71
1984	10,661,000 ‡	29.48
1983	9,787,000	27.60

‡ After allowing for preferred stock at a liquidation preference of $100 per share.

Income Account * (000's)

Year ended Dec. 31	1987	1986
Merchandise Group:		
Merchandising	$ 22,894,000	$ 22,092,000
Credit	2,011,000	2,068,000
International	3,180,000	2,914,000
Total Merch. Group	$ 28,085,000	$ 27,074,000
Allstate Group	15,556,000	12,638,000
Coldwell Banker Real Estate Group	1,244,000	1,152,000
Dean Witter Fin. Serv. Group	3,995,000	3,415,000
Corporate and intergroup trans.	(440,000)	2,000
Total revenues	$ 48,440,000	$ 44,281,000
Costs & expenses	44,310,000	40,247,000
Interest expense	2,716,000	2,450,000
Realized cap. gains	(516,000)	(441,000)
Income before taxes	$ 1,930,000	$ 1,925,000
Income taxes	260,000	460,000
Minority interest	21,000	14,000
Net Income	$ 1,649,000	$ 1,351,000

* Included in Costs and Expenses, Depreciation: $559,500,000 in 1987 and $518,400,000 in 1986.

Assets (000's)

As of Jan 31	1987	1986
Receivables	$ 26,026,400	$ 21,416,900
Investments	25,120,300	22,183,400
#Fixed Assets	4,790,400	4,593,000
*Inventories	4,115,300	4,013,000
Cash & invested cash	2,804,700	2,984,400
Securities purch. under agree. to resell	6,400,000	5,228,700
Trading account securities owned	2,513,100	2,565,000
Other assets	3,221,100	3,010,200
Total Assets	$ 74,991,300	$ 65,994,600

Liabilities (000's)

Reserve for insur. claim	$ 13,073,000	$ 9,952,100
Short-term borrowing	7,055,000	4,306,000
Long-term debt	9,561,700	10,066,700
Deposits & advances	7,178,100	6,623,200
Unearned revenue	4,789,900	4,412,900
Accts. pay. & other liab.	6,474,700	5,925,400
Securities sold under repurch. agree	6,817,200	5,887,900
Deferred inc. taxes	1,801,000	2,451,300
Pay. to brokerage clients	3,120,900	2,845,300
Unpurch. securities	1,532,200	477,200
+Preferred stock	—	250,000
++Common stock	287,200	286,100
Add. paid-in capital	2,040,500	1,982,600
Retained earnings	11,254,900	10,367,600
Treasury stock	(79,200)	(89,000)
Unreal. cap. gains on eq. sec.	139,400	364,100
Cum. trans. adjust.	(35,200)	(114,800)
Total Liabilities & Shareholders' Equity	$ 74,991,300	$ 63,994,600

Less accumulated depreciation.
* At lower of costs (LIFO) or market. Foreign inventories at FIFO.
+ $1 par value.
++ $0.75 per value.

Statistical Summary

%Income bef. Taxes to Revenues	4.25	4.12
%Net Income to Revenues	3.63	3.05
%Net Income to Equity	12.14	10.36
Debt to Equity	1.22	1.10
Shareholders' Equity (000's)	$ 13,587,600	$ 13,046,600

Seaway Food Town, Inc.

1020 Ford Street
Maumee, Ohio 43537
(419) 893-9401

Officers: Wallace D. Iott, president; Waldo E. Yeager, sr. v.p.-finance & treasurer; David J. Walrod, sr. v.p.-operations; Richard B. Iott, sr. v.p.-merchandising; David A. Katz, secretary.

Directors: Wallace D. Iott, chairman; Paul Pope, Richard G. Heydt, Thomas M. O'Donnell, Robert J. Kirk, Edwin Z. Singer, David A. Katz, Waldo E. Yeager, Richard B. Iott, David J. Walrod.

Business Activities: Operates a chain of food stores located in northwest and central Ohio and southeast Michigan under the names Food Town Supermarkets and Kash 'N Karry Super Food Stores. Also operates 7 deep discount drug stores under the names W.D.'s Deep Discount and The Pharm.

Divisions and Subsidiaries:

Northern Distributing Co.
V. F., Inc.
Gruber's Food Town, Inc.
Tracy & Avery Food Town, Inc
Fjord Properties, Inc.
Seaway Properties, Inc.
Buckeye Discount, Inc.
Custer Pharmacy, Inc.

All at:
1020 Ford Street
Maumee, Ohio 43537
(419) 893-9401

Baldaf Bakery Division
915 Kingsbury Street
Maumee, Ohio 43537

Buckeye Specialties Division
2145 Tedrow Street
Toledo, Ohio 43614

Valley Farms Foods
Maumee, Ohio

Toledo Milk Processing, Inc.
1149 Grand
Toledo, Ohio 43606
(419) 244-3757

Transfer Agent(s):

First National Bank of Toledo
Toledo, Ohio

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SEWY (NASDAQ)

Number of Stores (at fiscal year end)

1987	73	1984	73
1986	76	1983	73
1985	73		

Sales & Earnings

	Net Sales	Net Income
1987	$ 457,788,000	$ 2,594,000
1986	423,635,000	1,683,000
1985	431,144,000	3,663,000
1984*	466,020,000	1,491,000
1983	472,323,000	3,431,000

	No. of Com. Shares	Ears. per Share #
1987	1,357,325	$ 1.91
1986	1,742,289	0.97
1985	1,841,065	1.99
1984*	2,185,063	0.77
1983	2,177,476	1.58

* 53 weeks.
# Based on the average number of share outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	$ 0.68	—	—
1986	0.68	—	—
1985	0.68	—	—
1984	0.68	—	—
1983	0.64	—	—

Common Stock Equity

	Total Equity	Equity Per Share #
1987	$ 23,731,000	$ 17.48
1986	32,671,000	18.75
1985	33,569,000	18.23
1984	37,465,000	17.15
1983	38,026,000	17.46

Based on the average number of shares outstanding.

Income Account *

Year ended	9/26/87	9/27/86
Net sales	$ 457,788,000	$ 423,635,000
Cost of sales	345,681,000	319,872,000
Expenses	104,903,000	99,741,000
Other income	(1,650,000)	(1,959,000)
Interest expense	3,998,000	3,798,000
Income before taxes	$ 4,856,000	$ 2,183,000
Income taxes	2,262,000	500,000
Net Income	$ 2,594,000	$ 1,683,000

* Included in Costs and Expenses, Depreciation and Amortization: $8,493,000 in 1987 and $8,403,000 in 1986.

Assets

As of	9/26/87	9/27/86
Cash	$ 5,098,000	$ 6,153,000
Marketable secur.	—	2,800,000
Accts. & notes receiv., net	3,346,000	2,643,000
*Inventories	37,581,000	33,613,000
Prepaid expenses	4,338,000	2,902,000
Current Assets	$ 51,163,000	$ 48,111,000
Other assets	2,580,000	3,080,000
#Fixed assets	54,573,000	56,311,000
Total Assets	$ 108,316,000	$ 107,502,000

Liabilities

Long-term debt, curr.	$ 1,596,000	$ 1,309,000
Accts. payable	32,677,000	27,508,000
Accruals	7,862,000	5,861,000
Income taxes	1,057,000	291,000
Curr. Liabilities	$ 43,192,000	$ 35,367,000
Long-term debt	35,519,000	33,722,000
Deferred inc. taxes	5,874,000	5,742,000
+Common stock	2,494,000	3,375,000
Add. paid-in capital	991,000	1,444,000
Retained earnings	20,266,000	27,852,000
Total Liabilities & Shareholders' Equity	$ 108,316,000	$ 107,502,000

* Most and produce inventories at lower of cost (FIFO) or market; other inventories at lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	1.06	0.52
%Net Income to Sales	0.57	0.40
%Net Income to Equity	10.93	5.15
Sales to Inventories	12.18	12.60
Debt to Equity	1.50	1.03
Working Capital	$ 7,971,000	$ 12,744,000
Current Ratio	1.18	1.36
Shareholders' Equity	$ 23,731,000	$ 32,671,000

Service Merchandise Company, Inc.

2968 Foster Creighton Drive
P.O. Box 24600
Nashville, Tennessee 37202
(615) 251-6666

Officers: Raymond Zimmerman, chairman of the board, president & chief exec. officer; Howard W. Levy, executive v.p.; Glenn A. Bodry, v.p., secretary & gen. counsel; S. P. Braud, v.p., treasurer & chief financial officer.

Directors: Raymond Zimmerman, chairman; R. Maynard Holt, Charles V. Moore, Richard P. Crane, Jr., Howard W. Levy, James E. Poole.

Business Activities: Catalog merchandising company operating over 300 merchandise showrooms in 36 states. Engaged in the sale of a broad line of jewelry, diamonds and nationally advertised brand-name hardgoods merchandise such as housewares, small appliances, giftware, silverware, cameras, luggage, radios, televisions, and other home electronic equipment and accessories, toys, sporting goods, and home and garden equipment.

Subsidiaries:

Computer Shoppes, Inc.
Specialty computer business operating 11 retail outlets in four southern states on the basis of consultive selling.

Zinman's
Jewelry and giftware sold through two stores in Nashville, Tennessee.

Transfer Agent(s):

Third National Bank
Nashville, Tennessee 37219

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SMCH (NASDAQ)

Number of Stores: (at fiscal year end)

1987	323	1984	195
1986	313	1983	139
1985	328		

Sales & Earnings

	Net Sales ‡	Net Income
1/2/88	$ 2,719,102,000	$ 30,854,000
1/3/87*	2,527,300,000	(46,898,000)
12/28/85	2,244,806,000	10,733,000
12/29/84	1,803,141,000	44,576,000
12/31/83	1,442,691,000	44,069,000

	No. of Com. Shares †	Earn. per Share +
1/2/88	33,315,000	$ 0.93
1/3/87*	33,315,000	—
12/28/85	33,315,000	0.32
12/29/84	32,039,000	1.46
12/31/83	30,126,000	1.49

(Loss)
* 53 Weeks
‡ Of continuing operations only.
† Adjusted to reflect stock split.
+ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend†	Stock Dividend	Stock Split
1/2/88	$ 0.08	—	—
1/3/87	0.08	—	—
12/28/85	0.08	—	—
12/29/84	0.08	—	—
12/31/83	0.0775	—	3-for-1

† Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share +
1/2/88	$ 306,765,000	$ 9.21
1/3/87	278,566,000	8.36
12/28/85	328,150,000	9.85
12/19/84	308,595,000	9.63
12/31/83	251,971,000	8.36

+ Adjusted to reflect stock split.

Income Account
(000's)

Year ended	1/2/88	1/3/87 (53 weeks)
Net sales	$ 2,719,102	$ 2,527,300
Cost of sales	2,095,528	1,981,336
Expenses	445,934	458,893
Depreciation & amortization	56,172	53,144
Other income	(8,564)	(4,512)
Interest expenses	85,564	67,572
Income (loss) bef. taxes	$ 44,468	$ (29,133)
Income taxes (credit)	19,557	(12,035)
Cum. effect of change in accntg. meth.	(5,963)	—
Inc. (loss) - cont. oper.	$ 30,854	$ (17,098)
Loss - discont. oper.	—	(29,800)
Net Income (Loss)	$ 30,854	$ (46,898)

Assets
(000's)

As of	1/2/88	1/3/87
Cash	$ 249,863	$ 146,011
Acct. receiv., net	33,157	33,663
Refund. inc. taxes	—	57,218
*Inventories	657,447	640,336
Prepaid expenses	21,730	20,167
Current Assets	$ 962,197	$ 897,395
#Fixed assets	375,434	610,983
Other assets & defer. charges	15,179	16,674
Total Assets	$ 1,352,810	$ 1,525,052

Liabilities
(000's)

Long-term debt, curr.	$ 73,410	$ 25,684
Cap. leases, curr.	6,344	7,687
Acct. payable	388,426	309,969
Accruals	113,397	106,361
Inc. taxes	11,743	—
Curr. Liabilities	$ 593,320	$ 449,701
Long-term debt	515,013	660,991
Cap. lease oblig.	107,188	109,413
Deferred income taxes	30,524	26,781
+Common stock	16,884	16,884
Add. paid-in capital	79,539	79,529
Retained earnings	216,736	188,547
Treasury stock	(6,394)	(6,394)
Total Liabilities & Shareholders' Equity	$ 1,552,810	$ 1,525,052

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	1.63	—
%Net Income to Sales	1.13	—
%Net Income to Equity	10.06	—
Sales to Inventories	4.14	3.95
Debt to Equity	2.29	2.88
Working Capital	$ 368,877,000	$ 447,694,000
Current Ratio	1.62	2.00
Shareholders' Equity	$ 306,765,000	$ 278,566,000

Sharper Image Corporation

650 Davis Street
San Francisco, California 94111
(415) 445-6000

Officers: Richard Thalheimer, chairman of the board, president & chief executive officer; Craig Womack, sr. v.p.; Robert Schultz, v.p., controller & chief financial officer; Robert Bissell, v.p.-creative; Elyse Eag Thalheimer, corp. secretary.

Directors: Richard Thalheimer, chairman; Elyse Eag Thalheimer, Wataru Ohashi, Law Lawrence Feldman, Stanley Fenvessy, Maurice Gregg, Alan Thalheimer.

Business Activities: Operates 48 'The Sharper Image' retail stores in 22 states. These stores offer a wide variety of products, including electronics, communications, health and fitness, recreational and novelty items. Also conducts a mail order catalog business.

Transfer Agent(s):

Bank of America, NT & SA
Corporate Agency
San Francisco, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SHRP (NASDAQ)

Sharper Image Corporation

Number of Stores (at fiscal year end)

1988	45	1985	5
1987	27	1984	1
1986	14		

Sales & Earnings

	Revenues	Net Income
1/31/88	$ 160,885,000	$ 5,607,000
1/31/87*	98,231,000	3,606,000
4/30/86	88,160,000	1,426,000
4/30/85	86,824,000	173,000
4/30/84	69,295,000	1,446,000

	No. of Com. Shares	Earn. per Share ‡
1/31/88	8,253,439	$ 0.70
1/31/87*	7,104,790	0.51
4/30/86	7,051,940	0.20
4/30/85	6,790,000	0.02
4/30/84	N.A.	0.20

* 9 months.
N. A. - Not Available.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1988	1987
Net store sales	66.4 %	52.5 %
Net catalogue sales	32.7	46.4
Let rental	0.9	1.1
Total	100.0 %	100.0 %

Common Stock Equity

	Total Equity	Equity Per Share
1987	$ 24,414,000	$ 2.96
1986	8,195,000	1.15
1985	4,548,000	0.64
1984	3,086,000	0.45
1983	2,913,000	—

Income Account * (000's)

Year ended	1/31/88	1/31/87 (9 months)
Net sales	$ 159,455	$ 97,114
Let rental	1,430	1,117
Total revenues	$ 160,885	$ 98,231
Cost of sales	99,633	58,831
Expenses:		
Adv. & promotion	16,757	13,097
Gen., selling and adm.	34,901	19,216
Interest income	(299)	(67)
Other income	(301)	(361)
Income bef. taxes	$ 10,194	$ 7,315
Income taxes	4,587	3,909
Net Income	$ 5,607	$ 3,606

* Included in Costs and Expenses, Depreciation and Amortization: $2,040,000 in 1988 and $1,122,000 in 1987.

Assets (000's)

As of	1/31/88	1/31/87
Cash	$ 7,787	$ 6,908
Accts. receiv., net	5,402	2,774
*Inventories	22,214	10,067
Deferred catalogue costs	2,024	2,155
Prepaid expenses	1,597	864
Current Assets	$ 39,024	$ 22,768
#Fixed assets	15,701	7,240
Total Assets	$ 54,725	$ 30,008

Liabilities (000's)

Cap. lease oblig., curr.	$ 56	$ 48
Accts. payable & accruals	23,399	15,915
Income taxes	4,676	4,424
Deferred revenue	1,312	994
Curr. Liabilities	$ 29,443	$ 21,381
Cap. lease oblig.	148	204
Deferred inc. taxes & other credits	720	228
+Common stock	83	71
Add. paid-in capital	10,715	210
Retained earnings	13,669	8,102
Stock subscrip. receiv.	(53)	(188)
Total Liabilities & Shareholders' Equity	$ 54,725	$ 30,008

* At lower of cost or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	6.34	7.65
%Net Income to Sales	3.49	3.67
%Net Income to Equity	22.97	44.00
Debt to Equity	0.01	0.03
Working Capital	$ 9,581,000	$ 1,387,000
Current Ratio	1.33	1.06
Shareholders' Equity	$ 24,414,000	$ 8,195,000

The Sherwin-Williams Company

101 Prospect Avenue, N.W.
Cleveland, Ohio 44115-1075
(216) 566-2000

Officers: J. G. Breen, chairman of the board & chief executive officer; T. A. Commes, president & chief operating officer; F. T. Krotine, sr. v.p.-corporate research & development; Thomas R. Micklich, sr. v.p.-finance & chief financial officer; Larry J. Pitorak, v.p., secretary-treasurer & general counsel; John L. Ault, v.p. & controller; Thomas Kroeger, v.p.-human resources; Frances C. Piocirillo, director of taxes & asst. secretary; Conway A. Ivy, v.p.-corp. planning & development; Leonard A. Ward, v.p.-administration; William B. Eldredge, president-International Group; Robert B. Venick, president-Paint Stores Group.

Directors: J. G. Breen, chairman; J. A. Attwood, D. W. Calloway, T. A. Commes, R. C. Dohm, A. C. Holmes, J. R. Killpack, W. G. Mitchell, R. E. Schey, Leigh Carter, James M. Biggar.

Business Activities: Manufacturer and marketer of consumer and industrial coatings, and associated supplies. The Company also operates a nationwide chain of 1,829 Sherwin-Williams paint and wallpaper stores.

Divisions and Subsidiaries:

Paint Stores Group
Consumer Division
Automotive Division
Chemical Coatings Division
Sprayon Division
Transportation Services Division
International Group

Sherwin-Williams do Brasil Industria e Comercio Ltda.
Sao Paulo, Brazil

Sherwin-Williams Canada, Inc.
Grosvenhurst, Canada

Sherwin-Williams (Caribbean) N.V.
Curacao

Sherwin-Williams (West Indies) Limited
Kingston, Jamaica

Sherwin-Williams Foreign Sales Corporation Ltd.
Charlotte Amalie, Virgin Islands

Sherwin-Williams Automotive Finishes, Inc.
Mississauga, Canada

Compania Sherwin-Williams S.A. de C.V.
Mexico City, D.F., Mexico

Sherwin-Williams Cayman Islands Ltd.
Grand Cayman

The Sherwin-Williams Co. Resources Ltd.
Kingston, Jamaica

Sherwin-Williams (Barbados) Ltd.
Bridgetown, Barbados

Sherwin-Williams de Panama City
Panama

Lyons Technological Products Ltd.
United Kingdom

Sherwin-Williams Development Corp.

Contract Transportation Systems Co.
All located in the U.S.A.
Dupli-Color Products Company
Lyons Transportation Lines, Inc.
P-Y Transport, Inc.
Certified Distribution Services, Inc.
Ress Realty Company
The Terminal Garage Company

Joint Ventures:

FSW Coatings, Limited

FSW Paints Ltd.
Dublin, Ireland

F.S.W. Ltd.
Bradford, United Kingdom

Nippon Sherwin-Williams Chemicals Co., Ltd.
Osaka, Japan

Sherwin-Williams del Ecuador Fabrica Nacional de Pinturas, S.A.
Guayaquil, Ecuador

BAPCO
Toronto, Canada

Sherwin-Williams Saudi Arabia Ltd.
Jeddah, Saudi Arabia

Transfer Agent(s):

AmeriTrust Company N.A.
Cleveland, Ohio

Stock Exchange(s): New York

Ticker Symbol: SHW

Number of Stores: (at fiscal year end)

1987	1,829	1984	1,958
1986	1,719	1983	1,819
1985	2,070		

Sales & Earnings

	Net Sales † (000's)	Net Income (000's)
1987	$ 1,792,736	$ 96,577
1986	1,552,931	105,952
1985	1,522,348	74,638
1984	1,451,877	65,006
1983	1,395,539	55,412

	No. of Com. Shares ‡	Earn. per Share +
1987	$ 44,837,849	$ 2.13
1986	45,784,780	2.31
1985	46,221,896	1.61
1984	45,849,648	1.42
1983	47,639,238	1.16

† Of continuing operations only.
‡ Based on the average number shares of common stock outstanding adjusted to reflect stock split.
+ Based on the average number of shares outstanding after adjusting net income for dividend requirements of preferred stock adjusted to reflect stock split.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1987	$ 0.56	—	—
1986	0.50	—	—
1985	0.46	—	2-for-1
1984	0.38	—	—
1983	0.30	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share #
1987	$ 549,685,000	$ 12.57
1986	491,569,000	11.15
1985	465,367,000	10.10
1984	404,140,000	8.97
1983	369,920,000 †	8.12

† After allowing for preferred stock at aggregate involuntary liquidation.
# Adjusted to reflect stock split.

Income Account *
(000's)

Year ended Dec. 31.	1987	1986
Net sales	$ 1,792,736	$ 1,552,931
Cost of sales	1,057,081	916,886
Expenses	585,470	493,721
Interest expense	11,464	12,381
Interest income	(12,803)	(9,779)
Other income	(10,202)	(567)
Unusual items	—	(33,785)
Income bef. taxes	$ 161,726	$ 174,074
Income taxes	67,921	78,113
Inc.-cont. oper.	$ 93,805	$ 95,961
Inc.-discont. oper.	2,772	9,991
Net Income	$ 96,577	$ 105,952

* Included in Costs and Expenses, Depreciation and Amortization: $28,948,000 in 1987 and $24,559,000 in 1986.

Assets
(000's)

As of Dec. 31	1987	1986
Cash & Short-term invest.	$ 208,530	$ 101,740
Accts. receiv., net	177,706	180,197
* Inventories	281,406	409,878
Other	89,595	61,677
Current Assets	$ 757,237	$ 753,492
# Fixed assets	213,196	234,939
Deferred pension assets	121,906	104,853
Other assets	47,657	52,363
Total Assets	$ 1,139,996	$ 1,145,647

Liabilities
(000's)

Long-term debt, curr.	$ 7,240	$ 9,222
Accts. payable	145,494	204,043
Accruals	142,978	139,193
Compensation & withholding	48,756	50,201
Accrued taxes	25,712	27,631
Curr. Liabilities	$ 370,180	$ 430,290
Long-term debt	89,227	119,716
Other long-term liability	42,482	25,209
Deferred income taxes	88,422	78,863
+ Common stock	47,603	47,131
Add. paid-in capital	127,164	118,042
Retained earnings	479,640	407,873
Foreign curr. translation adj.	12,689	12,808
Treasury stock	(92,033)	(68,669)
Total Liabilities & Shareholders' Equity	$ 1,139,996	$ 1,145,647

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Net Income to Equity	17.57	21.55
Sales to Inventories	6.37	3.79
Debt to Equity	0.18	0.26
Working Capital	$ 387,057,000	$ 323,202,000
Current Ratio	2.05	1.75
Shareholders' Equity	$ 549,685,000	$ 491,569,000

Silk Greenhouse, Inc.

1401 Tampa East Boulevard
Tampa, Florida 33619
(813) 622-7886

Officers: Jere L. Bradwell, chairman of the board & president; D. Von Adkins, exec. v.p. & secretary; Stuart G. Lasher, v.p.-finance & treasurer; William R. Barber, v.p.-stores & distribution; James R. Clark, v.p.-real estate; Frank Rego, Jr., v.p. & merchandise mgr..

Directors: Jere L. Bradwell, chairman; D. Von Adkins, Stuart G. Lasher, James R. Clark, Donald W. Burton.

Business Activities: Operates 30 warehouse-style stores offering customers a broad selection of artificial flowers, plants and natural wood trunk trees, as well as related decorating accessories, under the name Silk Greenhouse in seven states primarily in the South.

Transfer Agent(s):

Citizens & Southern Trust Company
Atlanta, Georgia

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SGHI

Number of Stores:

1988	30	1985	4
1987	13	1984	2
1986	7		

Sales & Earnings

	Net Sales	Net Income
1987	$ 21,710,000	$ 1,343,000
1986	7,903,000	509,000
1985	3,570,000	261,000
1984	1,318,000	46,000
1983	567,000	22,000

	No. of Com. Shares ‡	Earn. per Share †‡
1987	3,681,000	$ 0.37
1986	3,565,000	0.14
1985	3,561,000	0.07
1984	2,530,000	0.02
1983	1,779,000	0.01

† Fully diluted.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1987	1986
Silk flowers & plants	57%	47%
Christmas	16	25
Natural wood trunk silk trees	13	15
Accessories	14	13
Total	100%	100%

Common Stock Equity

	Total Equity †	Equity Per Share ‡
1987	$ 875,939	$ 0.24
1986	1,013,000	0.28
1985	505,000	0.14
1984	344,000	0.10
1983	9,000	0.01

† After allowing for preferred stock at par value.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended Jan. 31	1988	1987
Net sales	$ 21,710,039	$ 7,902,915
Cost of sales	9,429,337	3,382,337
Expenses:		
Store	7,975,680	2,902,528
Gen. and Adm.	1,490,923	572,662
Interest expense	406,150	62,462
Income before taxes	$ 2,407,949	$ 982,932
Income taxes	1,065,000	474,000
Net Income	$ 1,342,949	$ 508,932

* Included in Costs and Expenses, Depreciation and Amortization: $247,767 in 1988 and $70,464 in 1987.

Assets

As of Jan. 31	1988	1987
Cash	$ 107,778	$ 50,552
Accts. receiv., net	157,972	37,886
Due from officers	18,711	92,596
*Inventories	9,063,075	2,339,935
Prepaid expenses	152,138	194,499
Current Assets	$ 9,499,674	$ 2,715,467
#Fixed assets	1,836,402	426,761
Other assets	227,606	116,993
Total Assets	$ 11,563,682	$ 3,259,221

Liabilities

Notes payable	$ 2,283,660	$ 637,346
Long-term debt, curr.	87,159	50,007
Cap. lease oblig. curr.	70,928	10,572
Accts. payable	3,373,052	988,096
Accruals	1,032,213	153,805
Income taxes	1,004,000	309,000
Curr. Liabilities	$ 7,851,012	$ 2,148,826
Long-term debt	239,410	6,685
Cap. lease oblig.	332,826	25,649
Subord. convert. deben.	1,000,000	—
Deferred inc. taxes	121,578	34,578
+Preferred stock	—	137,544
++Common stock	31,373	33,000
Add. paid-in capital	124,308	19,216
Retained earnings	1,863,175	823,723
Total Liabilities & Shareholders' Equity	$ 11,563,682	$ 3,259,221

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $33 par value; noncumulative nonvoting.
++ $0.01 par value.

Silk Greenhouse, Inc.

Statistical Summary

%Income bef. Taxes to Sales	11.09	12.44
%Net Income to Sales	6.19	6.44
%Net Income to Equity	66.52	50.22
Sales to Inventories	2.40	3.38
Debt to Equity	1.49	0.75
Working Capital	$ 1,648,662	$ 566,641
Current Ratio	1.21	1.26
Shareholders' Equity	$ 2,018,856	$ 1,013,483

S&K Famous Brands, Inc.

11100 West Broad Street
P.O. Box 31800
Richmond, Virginia 23294-1800
(804) 346-2500

Officers: Stuart C. Siegel, chairman & chief exec. officer; Donald W. Colbert, president & chief operating officer; Robert E. Knowles, sr. v.p., chief financial officer, treasurer & secretary; Weldon J. Wirick, III, sr. v.p.-operations; Gregory D. Pearson, sr. v.p.-advertising & marketing; Harry S. Shendow, sr. v.p. & div. merchandise manager; James D. Moore, Jr., v.p.-operations; Janet L. Jorgensen, v.p. & controller; Kenneth J. Cook, v.p.-real estate.

Directors: Stuart C. Siegel, chairman; Robert L. Burrus, Jr., Donald W. Colbert, Andrew M. Lewis, Hyman Meyers, Richard L. Sharp, James C. Wheat, Jr..

Business Activities: Operates 60 "S&K Famous Brand Menswear" stores in 14 states throughout the Southeast, Pennsylvania, Indiana, Maine, and New York.

Transfer Agent(s):

Sovran Bank, N.A.
Richmond, Virginia

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SKFB (NASDAQ)

Number of Stores (at fiscal year end)

1988	60	1986	51
1987	47	1985	41

Sales & Earnings

	Net Sales	Net Income
1988	$ 43,056,000	$ 2,149,000
1987	39,062,000	1,292,000
1986	36,976,000	1,162,000
1985	31,206,000	1,271,000
1984	23,117,000	1,165,000

	No. of Com. Shares	Earn. per Share ‡
1988	2,060,152	$ 1.04
1987	2,060,152	0.63
1986	2,060,152	0.56
1985	2,060,152	0.62
1984	1,945,872	0.60

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1988	$ 12,738,560	$ 6.18
1987	10,589,000	5.14
1986	9,297,000	4.51
1985	8,136,000	3.95
1984	6,865,000	3.53

Income Account

Year ended	1/30/88	1/31/87
Net sales	$ 43,056,092	$ 39,062,199
Cost of sales	23,368,179	22,045,531
Expenses	15,282,562	13,292,949
Depreciation & amortization	689,188	601,620
Interest expense	693,859	539,217
Other expense (income)	(83,507)	18,057
Income before taxes	$ 3,105,811	$ 2,564,825
Income taxes	1,358,000	1,273,000
Cum. effect of change in accntng. meth.	(401,439)	—
Net Income	$ 2,149,250	$ 1,291,825

Assets

As of	1/30/88	1/31/87
Cash	$ 131,948	$ 182,310
Accts. receiv., net	157,767	116,007
*Inventories	20,078,496	12,728,758
Other curr. assets	475,711	463,467
Current Assets	$ 20,843,922	$ 13,490,542
#Fixed assets	7,420,165	6,944,471
Other assets	493,827	538,763
Total Assets	$ 28,757,914	$ 20,973,776

Liabilities

Long-term debt, curr.	$ 235,266	$ 230,758
Accts. payable	3,341,559	1,717,726
Accrued compensation	780,074	257,966
Income taxes	297,685	377,765
Other current liabilities	511,562	487,412
Curr. Liabilities	$ 5,166,146	$ 3,071,627
Long-term debt	9,823,687	6,715,818
Deferred inc. taxes	1,029,521	597,021
+Common stock	2,060,152	2,060,152
Add. paid-in capital	1,941,405	1,941,405
Retained earnings	8,737,003	6,587,753
Total Liabilities & Shareholders' Equity	$ 28,757,914	$ 20,973,776

* At lower of cost (LIFO or average) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	7.21	6.57
%Net Income to Sales	4.99	3.31
%Net Income to Equity	16.87	12.20
Sales to Inventories	2.14	3.07
Debt to Equity	0.79	0.66
Working Capital	$ 15,677,776	$ 10,418,915
Current Ratio	4.03	0.99
Shareholders' Equity	$ 12,738,560	$ 10,589,310

The Southland Corporation

2828 North Haskell Avenue
Dallas, Texas 75204
(214) 828-7011

Mailing Address:
P.O. Box 719
Dallas, Texas 75221

(Become a privately held company, owned by the shareholders of JT Acquisition Corporation, an affiliate of The Thompson Company, via a leveraged buyout on December 15, 1987.)

Officers: John P. Thompson, chairman of the board; Jere W. Thompson, president & chief exec. officer; Walton Grayson, III, exec. v.p.-administration & services; Clark J. Matthews, II, exec. v.p. & chief financial officer; S. R. Dole, exec. v.p.-7-Eleven Stores; Frank J. Gangi, sr. v.p.-finance; David Karney, v.p.-mgmt. info. services; Henry T. Stanley, Jr., v.p.-corp. communications; C. O. Beshears, v.p.-dairies group; Richard A. Turchi, v.p.-international; Hugh G. Robinson, v.p. & president-Cityplace Project; Kenneth M. Slauth, Jr., v.p.-development; Dale H. Allardyce, v.p.-distribution; John F. Antioco, v.p.-marketing, retail; Robert E. Bailey, v.p.-southern stores region; Donald L. Burnside, v.p.-administration, retail; Adrian O. Evans, v.p.-Mid-American Region, 7-Eleven Stores; David M. Fl[illegible] v.p.-human resources; Stephen B. Krumholz, v.p.-[illegible] Region, 7-Eleven Stores; Stephen B. LeRoy, v.p.-[illegible]peake Region, 7-Eleven stores; Michael K. Ros[illegible] Northeast Region, 7-Eleven Stores; Mitchel E. [illegible] v.p.-Western Region, 7-Eleven Stores; Vernon P. L[illegible] controller; David A. Urbel, treasurer.

Directors: Jere W. Thompson, John P. Thompson, J. C. Thompson, Jr..

Business Activities: Operator and franchisor of self-service convenience stores. As of December 31, 1987, there were 7,818 7-Eleven convenience stores, 113 Quick Mart gasoline and mini-convenience stores and Super-7 self-service gasoline outlets, 469 Chief Auto Parts stores, and 319 High's Dairy Stores. Southland's International Division coordinates the activities of an additional 4,614 7-Eleven and other retail units in the United States Puerto Rico, Guam, and 14 other countries.

Divisions:

Stores Group

General Office
2828 North Haskell Avenue
P.O. Box 719
Dallas, Texas 75221
(214) 828-7011

Southeastern Region
1304 Lee Road
Orlando, Florida 32810
(305) 295-3076

Central Region
2214 Algonquin Road
Rolling Meadows, Illinois 60008
(312) 577-1711

Petroleum Products
17311 Dallas Parkway
P.O. Box 7002
Addison, Texas 75001-2
(214) 931-0261

Southwestern Region
12200 Park Central
Suite 500
Dallas, Texas 75251
(214) 980-8055

Western Region
7839 University Avenue
P.O. Box 698
La Mesa, California 92041
(619) 465-2101

Western Gasoline Division
2444 Moor Park Avenue
Suite 316
San Jose, California 95128
(408) 293-9942

Dairies Group*
2828 N. Haskell Avenue
P.O. Box 719
Dallas, Texas 75221
(214) 828-7426

Oak Farms Division*
P.O. Box 225178
Dallas, Texas 76265
(214) 941-0302

Cabell Division*
4017 Commerce Street
Dallas, Texas 75226
(214) 821-9164

Embassy Dairy Division*
P.O. Box 114
Mattawoman Drive
Waldorf, Maryland 20601
(301) 843-1212

Midwest Farms Division*
1681 Union Avenue
P.O. Box 41199
Memphis, Tennessee 38104
(901) 274-0136

Velda Farms Division*
501 N.E. 181st Street
P.O. Box 640008
Miami, Florida 33164
(305) 651-3511

Wanzer's Division*
4430 W. North Avenue
Chicago, Illinois 60639
(312) 276-7720

Bancroft Dairy Division*
1010 South Park Street
Madison, Wisconsin 53715
(608) 257-1006

Merritt Foods Division*
2722 Guinotte Road
Kansas City, Missouri 64120
(816) 483-4233

Specialty Products Division*
2818 Merrell Road
P.O. Box 29306
Dallas, Texas 75229
(214) 350-9966

Chemical Food Labs Division*

1st Continental Bank Bldg.
Suite 400
5801 Marvin D. Love Freeway
Dallas, Texas 75237
(214) 331-8391

Reddy Ice Division *
2745 North Central Expressway
Dallas, Texas 75204
(214) 526-6740

Fast Foods Division*
3636 McKinney Avenue
Dallas, Texas 75204
(214) 559-3630

Southland International
2828 N. Haskell Avenue
P.O. Box 719
Dallas, Texas 75221
(214) 828-7815

Tidel Systems*
2615 E. Belt Line Road
Carrollton, Texas 76006
(214) 245-8591

Chief Auto Parts*
12200 Park Central Drive
Dallas, Texas 75251
(214) 239-2256

Subsidiaries:

American Service Realty

Citgo Petroleum Corporation (50% owned)
Citgo Caribbean Corporation
Citgo International Supply Company
Citgo International Trading Company
Citgo Pipeline Investment Company
Citgo Pipeline Company
Citijet Corporation
Cityplace Development Corporation
El Ge Potato Chip Co., Inc.
Knowlton's Dairy Corporation
Southland Fuels, Inc.
Foremost Petroleum Company of Texas, Inc.
Petro-Chemical Transport, Inc.
Petro-Chemical Transportation, Inc.
M & A Petroleum Company of Texas, Inc.
Southland International, Inc.
Southland Sales Corporation
7-Eleven Sales Corporation

Svenska 7-Eleven AB

Capitol Milk Producers Cooperative, Inc.
Operates 319 High's Dairy Stores, located primarily in Virginia and Maryland.

***Discontinued Operations**

Transfer Agent(s):

M Bank Dallas, N.A.
P.O. Box 655415
1900 Pacific Avenue
Dallas, Texas 75265-5415

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SLCPC (NASDAQ)* *Merger preferred shares

Number of Stores*: (at fiscal year end)

1987	7,818	1984	7,473
1986	7,672	1983	7,299
1985	7,519		

* 7-Eleven stores only.
NOTE: The financial data for the five months ended Dec. 31, 1987 reflects the purchase of the Company by JT Acquisition Corporation, and a resultant new basis of accounting.

Sales & Earnings

	Revenues † (000's)	Net Income (000's)
12/31/87*	$ 3,211,000	$ (149,747)
7/31/87+ x	4,865,400	90,078
12/31/86x	7,782,700	200,445
12/31/85x	7,856,700	212,535
12/31/84x	7,389,400	160,252

	No. of Com. Shares	Earn. Per Share #
12/31/87*	200,000,000	$ —
7/31/87+ x	48,900,000	1.74
12/31/86x	48,353,999	3.96
12/31/85x	47,566,413	4.41
12/31/84x	47,089,724	3.41

(Loss)
* 5 months.
\+ 7 months.
x Predecessor company.
† Includes franchised stores and other income; of continuing operations only.
# Based on the average number of common shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
12/31/87	$ 0.56	—	—
7/31/87	0.56X	—	—
12/31/86x	1.12	—	—
12/31/85x	1.00	—	—
12/31/84x	0.92	—	—

x Predecessor Company.

Common Stock Equity

	Total Equity (000's)	Equity Per Share ‡
12/31/87	$ (150,411)	$ —
7/31/87x	1,622,954 +	33.19
12/31/86x	1,542,831 +	31.91
12/31/85x	1,371,823 +	28.84
12/31/84x	1,195,687	25.39

(Deficiency)
x Predecessor company.
† After allowing for preferred stock at liquidation value.

Income Account *
(000's)

Year ended	12/31/87 (5 months)	7/31/87 ‡ (7 months)
Net sales	$ 3,211,018	$ 4,865,436
Other income	14,616	33,938
Total income	$ 3,225,634	$ 4,899,374
Cost of sales	2,463,896	3,853,040
Expenses	827,006	946,491
Prof. sh. plan	6,926	10,844
Interest expense	163,515	45,081
Gain from sale of half-int. in Citgo	—	(23,254)
Income (loss) before taxes	$ (235,709)	$ 67,172
Income taxes (credit)	(71,785)	31,410
Eq. in earn. of Citgo	(14,177)	(39,131)
Inc. (loss)-cont. oper.	$ (149,747)	$ 74,893
Inc.-discont. oper.	—	15,185
Net Income (Loss)	$ (149,747)	$ 90,078

* Included in Costs and Expenses, Depreciation and Amortization: $91,582,000 in the period ending 12/31/87 and $113,793,000 in the period ending 7/31/87.
‡ Predecessor company.

Assets
(000's)

As of	12/31/87	12/31/86 †
Cash and cash investments	$ 16,090	$ 71,197
Accts. & notes receiv., net	152,010	112,476
*Inventories	307,370	328,847
Deposits & prepaid expenses	24,752	43,877
Investment in prop.	—	24,400
Bus. units to be divested	353,101	323,552
Other assets held for sale	283,815	—
Current Assets	$ 1,137,138	$ 904,349
Investment in Citgo	380,037	286,584
#Fixed assets	2,344,449	2,019,871
Intangibles	931,309	—
Other assets	589,220	89,643
Total Assets	$ 5,382,153	$ 3,300,447

Liabilities
(000's)

Comm. paper	$ —	$ 215,291
Long-term debt, curr.	627,344	25,761
Accts. payable & accruals	645,862	539,840
Accts. payable to Citgo	59,474	53,318
Income taxes	589	23,975
Curr. Liabilities	$ 1,333,269	$ 858,185
Long-term debt	3,978,902	622,691
Deferred credits	102,969	151,740
Redeem. pref. stock	91,288	—
Comm. stock warrants	26,136	—
+Preferred stock	—	125,000
++Common stock	2,000	484
Add. paid-in capital	14,387	676,224
Retained earnings (deficit)	(166,998)	866,123
Total Liabilities & Shareholders' Equity	$ 5,382,153	$ 3,300,447

† Predecessor company.
* At lower of cost (LIFO) or market.
# Less accumulated depreciation.
\+ No par value; $4 cumulative convertible exchangeable.
++ $0.01 par value.

Statistical Summary

%Net Income to Equity	—	5.40
Sales to Inventories	10.45	14.80
Debt to Equity	—	0.39
Working Capital	—	$ 46,164,000
Current Ratio	—	1.05
Shareholders' Equity (Deficiency)	$ (150,411,000)	$ 1,667,831,000

Spencer Companies, Inc.

(Operating under Chapter 11 of the U.S. Bankruptcy Code)

450 Summer Street
Boston, Massachusetts 02210
(617) 542-8120

Officers: C. Charles Marran, chairman of the board; Herbert Rosen, vice chairman; Paul O'Conor, president & chief exec. officer; Donald C. Burgess, sr. v.p. & gen. merch. mgr.; Frank L. Marran, sr. v.p.-imports & mfg.; Irwin J. Lakin, v.p.; William A. Oliver, v.p. & treasurer; H. Kenneth Fish, clerk; James R. Morin, v.p. & mdse. manager; Roger A. Beaulieu, mgr.-computer operations; John W. Crapo, buyer-women's shoes; Joseph T. Grobel, asst. treasurer; Daniel J. Hart, dir.-warehousing; Donald Mish, buyer-athletic shoes.

Directors: C. Charles Marran*, William A. Oliver*, Herbert Rosen*, Paul O'Conor*, Real O. Roy.

* Member of the Executive Committee

Business Activities: Operates leased shoe departments in discount department stores in the central and eastern states.

Transfer Agent(s):

State Street Baank and Trust Company
Boston, Massachusetts 02101

Stock Exchange(s): Over-the-Counter

Number of Leased Depts &Stores (at fiscal year end)

1987	N.A.	1984	246
1986	216	1983	253
1985	254		

N.A. – Not Available.

Sales & Earnings

	Net Sales ‡	Net Income
1988*	$ 35,025,639	$ (229,117)
1987*	40,076,362	(4,984,460)
1986	80,128,457	(8,567,125)
1985	100,049,049	(5,657,370)
1984	91,161,259	1,284,929

	No. of Com. Shares #	Earn. per Share #
1988*	1,890,979	$ —
1987*	1,890,979	—
1986	1,870,979	—
1985	1,870,435	—
1984	1,800,410	0.71

(Loss)
* Estimates
‡ Includes operating revenues of continuing operations.
# Based on the weighted daily average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	$ —	—	—
1987	—	—	—
1986	—	—	—
1985	0.24	—	—
1984	0.17	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	N.A.	$ —
1987	N.A.	—
1986	5,125,730	2.74
1985	13,584,313	7.26
1984	17,997,969	10.00

N.A. - Not Available.
‡ Based on the weighted daily average number of shares outstanding.

Income Account

Year ended	5/31/86	6/1/85
Net sales	$ 80,128,457	$ 100,049,049
Cost of sales	55,540,284	72,626,420
Expenses	28,425,183	32,128,060
Depreciation & amortization	1,128,043	978,758
Interest expense	1,072,202	721,878
Interest income	(61,432)	(28,581)
Loss from discont. Cesarini Spencer	1,160,402	—
Other Income	(91,430)	(272,997)
Loss bef. taxes	$ (7,044,795)	$ (6,102,489)
Tax credit	(88,606)	(1,372,170)
Loss-cont. oper.	$ (6,956,185)	$ (4,730,319)
Loss-cont. oper.	(1,610,936)	(927,051)
Net Loss	$ (8,567,125)	$ (5,657,370)

Assets

As of	5/31/86	6/1/85
Cash & market-securities	$ 1,240,397	$ 2,021,836
Due from factor	289,063	—
Accts. & notes receiv., net	1,237,604	959,194
Refundable taxes	33,212	2,595,500
*Inventories	13,654,725	21,436,595
Prepaid expenses	548,359	599,530
Current Assets	$ 17,003,360	$ 27,612,655
#Fixed assets	3,476,545	6,128,794
Intangibles & other assets	708,217	812,426
Total Assets	$ 21,188,122	$ 34,553,875

Liabilities

Notes payable	$ 4,800,000	$ 4,250,000
Mort. payable	1,200,000	—
Bankers' acceptance	1,761,688	1,041,960
Long-term debt, curr.	—	600,000
Deferred income	254,750	—
Cap. lease oblig., curr.	63,198	—
Accts. payable	5,162,786	8,291,048
Due to factor	—	4,798,089
Accrued taxes	209,379	487,976
Accrued payroll	647,165	986,882
Curr. Liabilities	$ 414,098,946	$ 20,455,955
Cap. lease oblig.	183,874	—
Deferred compen.	706,391	513,607
Deferred income	1,073,181	—
+Common stock	2,092,933	2,092,933
Add. paid-in capital	6,948,691	6,948,691
Retained earnings (def.)	(1,375,221)	7,191,904
Treasury stock	(455,587)	(455,587)
Acct. receiv.-emp. stock trust	(2,085,086)	(2,193,628)
Total Liabilities & Shareholders' Equity	$ 21,188,122	$ 34,553,875

* At lower of cost (FIFO for mfg. and the retail method for the retail div.) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

Sales to Inventories	5.87	4.67
Debt to Equity	0.98	0.36
Working Capital	$ 2,904,414	$ 7,156,700
Current Ratio	1.21	1.35
Shareholders' Equity	$ 5,125,730	$ 13,584,313

Spiegel, Inc.

1515 West 22nd Street
Oak Brook, Illinois 60522
(312) 986-7500

(Spiegel Holdings, Inc. holds 97.5% of the Company's Class B Voting common stock.)

Officers: Michael Otto, chairman of the board; John J. Shea, president & chief executive officer; Kenneth A. Bochenski, sr. v.p.-operations & information services; Alton M. Withers, sr. v.p.-finance & chief financial officer; Robert E. Conradi, v.p.-merchandise; David C. Moon, v.p.-merchandise; Leo J. Sansone, v.p.-merchandise; Harold S. Dahlstrand, v.p.-human resources; Stanley D. Liebowitz, v.p.-corp. planning; R. Joseph McLaughlin, v.p.-marketing; Michael R. Moran, v.p.-administration; Sheila W. Sarovich, v.p.-advertising; Karl A. Steigerwald, v.p.-information services; Paul A. Stinneford, v.p. & secretary; Joseph A. Stubits, v.p.-credit; John M. Casey, treasurer.

Directors: Michael Otto, chairman; John J. Shea, Kenneth A. Bochenski, Hans-Christoph Fischer, Egon Hagen, Horst R. Hansen, Karl-August Hopmann, Max Kullmann, Jay A. Lipe, Peter Mueller, Alton M. Withers.

Business Activities: Markets wearing apparel, household furnishings and other general merchandise through catalogs distributed to over 30 million households throughout the U.S. Through Honeybee, Inc., a 74.8%-owned subsidiary, the Company operates 20 retail stores selling medium to upper price brand name and designer women's apparel in Missouri, Illinois, New York, Pennsylvania, New Jersey, Tennessee, and Connecticut. Honeybee, Inc. also markets its merchandise through mail order catalogs.

Retail Subsidiary:

Honeybee, Inc. (74.8%-owned)
681 Fifth Avenue
New York, New York 10022
(212) 752-8851

Transfer Agent(s):

Harris Trust and Savings Bank
P.O. Box 755
Chicago, Illinois 60690

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SPGLA* (NASDAQ) *Class A Non-Voting common stock

Number of Stores: (at fiscal year end)

1987 18

Sales & Earnings

	Net Sales	Net Income
1987	$ 1,065,250,000	$ 49,211,000
1986	1,002,230,000	36,209,000
1985	850,084,000	12,962,000
1984	722,807,000	2,006,000
1983	611,901,000	12,304,000

	No. of Com. Shares	Earn. per Share †
1987	45,000,000	$ 1.22
1986	39,000,000	0.92
1985	39,000,000	0.33
1984	39,000,000	0.05
1983	39,000,000	0.32

† Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	$ 0.35	—	—
1986	0.14	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1987	$ 237,800,000	$ 5.28
1986	129,379,000	3.32
1985	108,456,000	2.78
1984	95,494,000	2.45
1983	93,488,000	2.40

Income Account *
(000's)

Year ended Dec. 31	1987	1986
Net sales	$ 926,835	$ 882,169
Finance revenue	116,055	102,698
Other income	22,360	17,363
Total income	$ 1,065,250	$ 1,002,230
Cost of sales	605,028	519,483
Expenses	347,966	294,726
Interest expense	40,050	36,492
Income before taxes	$ 72,206	$ 71,529
Income taxes	31,095	35,320
Cum. effect of accntg. change	(8,000)	—
Net Income	$ 49,111	$ 36,209

* Included in Costs and Expenses, Depreciation and Amortization: $8,908,000 in 1987 and $8,302,000 in 1986.

Assets
(000's)

As of Dec. 31	1987	1986
Cash	$ 3,476	$ 4,440
Accts. receiv., net	626,500	552,688
Refundable taxes	—	4,000
*Inventories	146,732	119,406
Prepaid expenses	29,723	24,608
Current Assets	$ 808,431	$ 705,142
#Fixed assets	41,840	38,652
Other assets	1,620	926
Total Assets	$ 851,891	$ 744,720

Liabilities
(000's)

Long-term debt, curr.	$ 12,500	$ 660
Accts. payable	94,452	69,368
Accrued payroll	15,447	13,569
Other accruals	17,166	16,419
Deferred income taxes	16,026	99,755
Curr. Liabilities	$ 201,591	$ 199,771
Long-term debt	412,500	414,000
Redeem. pref. stock	—	1,570
+Common stock:		
Class A	6,000	—
Class B	39,000	39,000
Add. paid-in capital	86,690	3,003
Retained earnings	110,517	87,376
Treasury stock	(4,407)	—
Total Liabilities & Shareholders' Equity	$ 851,891	$ 744,720

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	7.79	8.11
%Net Income to Sales	5.30	4.10
%Net Income to Equity	20.65	27.99
Sales to Inventories	6.23	7.39
Debt to Equity	1.79	3.21
Working Capital	$ 606,840,000	$ 505,371,000
Current Ratio	4.01	3.53
Shareholders' Equity	$ 237,800,000	$ 129,379,000

Sportecular Incorporated

2090 Five Mile Line Road
Penfield, New York 14526
(716) 385-7780

Officers: Gary S. Profetta, chairman, president & chief exec. and operating officer; Steven R. Cushman, secretary, treasurer & chief financial officer; John Parr Wiegel, v.p.-marketing; Charles A. Callahan, controller.

Directors: Gary S. Profetta, chairman; Robert W. Kircher, Fred J. Rainaldi.

Business Activities: Operates 10 retail sporting goods stores, principally under the name 'Muxworthy's' in the Syracuse, New York area and 'Sportecular' in the Rochester, New York area.

Subsidiary:

Target Vision, Inc. (94%-owned)
Provides customized informational programs and advertising messages to specifically targeted consumer groups and businesses via closed-circuit television.

Transfer Agent(s):

Chase Lincoln First Bank N.A.
One Lincoln First Square
P.O. Box 1250
Rochester, New York 14603

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SPRT (NASDAQ)

Number of Stores: (at fiscal year end)

1987 ..... 10 1986 12

Sales & Earnings

	Net Sales *	Net Income +
1987	$ 6,155,169	$ (2,735,513)
1986	6,157,236	(3,038,361)
1985	3,468,648	(715,223)
1984	2,849,882	(119,097)
1983	2,171,752	(103,026)

	No. of Com. Shares †	Earn. per Share ‡ +
1987	12,596,327	$ —
1986	12,022,824	—
1985	11,267,004	—
1984	8,766,604	—
1983	7,171,500	—

(Loss)
* Sporting goods division only.
+ Including extraordinary gain of $262,363 in 1987.
† Adjusted to reflect stock splits.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	—	—	—
1986	—	—	1-for-10
1985	—	—	—
1984	—	—	15-for-7

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	$ (237,681)	$ —
1986	83,832	0.01
1985	1,337,675	0.12
1984	227,785	0.03
1983	(1,766)	—

(Deficiency)
‡ Adjusted to reflect stock splits.

Income Account *

Year ended July 31	1987	1986
Net sales	$ 6,155,169	$ 6,157,236
Cost of sales	3,388,483	4,034,424
Expenses	2,617,343	2,970,405
Oper. loss from advertising division	2,150,189	1,797,136
Gen. corporate expenses	247,063	180,120
Interest expense	893,179	227,913
Interest income	(41,475)	(48,813)
Other expense (income)	119,021	22,662
Loss before taxes	$ (3,218,634)	$ (3,026,611)
Income taxes	5,000	11,750
Minority interest	(225,758)	—
Net Loss	$ (2,997,876)	$ (3,038,361)
Extraord. gain	262,363	—
Net Loss and extraord. gain	$ (2,735,513)	$ (3,038,361)

* Included in Costs and Expenses, Depreciation and Amortization: $495,672 in 1987 and $327,285 in 1986.

Assets

As of July 31	1987	1986
Cash	$ 63,016	$ 295,924
Restricted cash	250,936	—
Accts. receiv., net	255,260	45,430
Stock subscrip. receiv.	195,064	—
*Inventories	3,408,919	2,701,195
Prepaid expenses	40,302	60,612
Market equity secur.	28,500	—
Current Assets	$ 4,241,997	$ 3,103,161
#Fixed assets	2,743,690	1,682,294
Due from rel. parties	114,939	—
Other assets	73,077	45,986
Intangibles	109,304	134,629
Total Assets	$ 7,283,007	$ 4,966,070

Liabilities

Notes payable	$ 795,000	$ 985,000
Long-term debt, curr.	1,324,638	15,313
Accts. payable	2,301,119	2,327,750
Accrued payroll	49,217	89,204
Accrued sales taxes	31,069	102,699
Other accruals	81,128	109,659
Deferred income & contract dep.	111,881	—
Curr. Liabilities	$ 4,694,052	$ 3,629,625

Sportecular Incorporated

Long-term debt	1,552,394	477,545
Due to rel. parties	—	775,068
Minority interest	1,274,242	—
+Common stock	62,981	60,114
Common stock subscribed	650,000	—
Add. paid-in capital	6,057,383	4,296,250
Accum. deficit	(7,008,045)	(4,272,532)
Total Liabilities & Shareholders' Equity	$ 7,283,007	$ 4,966,070

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.005 par value.

Statistical Summary

Sales to Inventories	1.81	2.28
Debt to Equity	—	17.63
Shareholders' Equity (Deficiency)	$ (237,681)	$ 83,832

The Sporting Life, Inc.

5302 Eisenhower Avenue
Alexandria, Virginia 22304
(703) 823-1500

Officers: Charles B. Howard, II, chairman of the board & president; Thomas K. Wilcher, v.p.-finance & treasurer; Linda L. Ely, v.p.-merchandising & catalog production; Andrea M. Weiss, v.p.-retail stores; Richard W. Trimble, v.p.-inventory control; Ronald Salyer, secretary; John J. Mullenholz, general counsel.

Directors: Charles B. Howard, II, chairman; Thomas K. Wilcher, Ronald Salyer, James R. Alexander, Jeffrey T. Griffin, John J. Mullenholz.

Areas of Work: Engaged in direct marketing of traditional women's apparel and related accessories, franchising of retail stores (9) under the name The Sporting Life, and operation of its own Sporting Life store in Georgetown, Washington, D.C.

Subsidiary:

The Sporting Life of Georgetown, Inc.

Transfer Agent(s):

American Security Bank, N.A.
Washington, Washington D.C.

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SPLF (NASDAQ)

Number of Stores:*

1987	10

* Includes franchised stores.

Sales & Earnings

	Revenues	Net Income †
1987	$ 13,729,646	$ 78,388
1986	9,216,772	355,715
1985	6,565,312	487,379
1984	4,396,546	51,765
1983	3,801,192	(256,117)

	No. of Com. Shares ‡	Earn. per Share ‡ †
1987	974,303	$ 0.08
1986	967,304	0.37
1985	576,070	0.85
1984	456,762	0.12
1983	244,266	—

(Loss)
† Including extraordinary gains of $50,000 ($0.05 per share) in 1986, $220,000 ($0.38 per share) in 1985 and $9,000 ($0.02 per share) in 1984.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	—	—	—
1986	—	—	—
1985	—	—	2.913894-for-1

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	$ 3,091,340	$ 3.17
1986	2,804,802	2.90
1985	2,449,087	4.25
1984	(233,825)	—

(Deficit)
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *

Year ended July 31	1987	1986
Revenues	$ 13,729,646	$ 9,216,772
Cost of sales	10,540,754	6,531,330
Expenses	3,178,449	2,228,392
Interest expense	23,674	3,707
Interest income	(32,370)	(98,061)
Other income	(38,249)	(14,311)
Income before taxes	$ 57,388	$ 565,715
Income taxes (credit)	(21,000)	260,000
Net Income	$ 78,388	$ 305,715
Extraord. gain	—	50,000
Net Income & extraord. gain	$ 78,388	$ 355,715

* Included in Costs and Expenses, Depreciation and Amortization: $254,890 in 1987 and $96,084 in 1986.

Assets

As of July 31	1987	1906
Cash	$ 534,970	$ 934,105
Cert. of deposit	—	107,987
Accts. receiv., net	773,572	432,275
*Inventories	2,462,696	1,825,791
Deferred catalogue costs	943,485	600,036
Prepaid expenses	74,514	30,634
Current Assets	$ 4,789,237	$ 3,930,828
Fixed assets	751,964	541,819
Mailing lists	1,056,095	190,000
Other assets	21,182	4,484
Total Assets	$ 6,618,478	$ 4,667,131

Liabilities

Notes payable	$ 166,667	—
Accts. payable	1,573,299	856,360
Cust. deposits	126,567	62,319
Refunds payable	375,457	276,962
Accrued catalogue prod. costs	794,075	339,990
Other accruals	80,646	78,198
Deferred income	7,094	38,500
Deferred taxes	195,000	210,000
Curr. Liabilities	$ 3,318,805	$ 1,862,329
Note payable	208,333	—
+Common stock	9,924	8,865
Add. paid-in capital	3,116,272	2,795,181
Retained earnings	79,144	756
Deferred comp.	(114,000)	—
Total Liabilities & Shareholders' Equity	$ 6,618,478	$ 4,667,131

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	0.42	6.14
%Net Income to Sales	0.57	3.32
%Net Income to Equity	2.54	10.90
Sales to Inventories	5.58	5.05
Debt to Equity	0.12	—
Working Capital	$ 1,470,432	$ 2,068,499
Current Ratio	1.44	2.11
Shareholders' Equity	$ 3,091,340	$ 2,804,802

Sprouse-Reitz Stores

P.O. Box 8996
1411 S.W. Morrison Street
Portland, Oregon 97208-8996
(503) 224-8220

Officers: R. A. Sprouse, II, president & chief exec. officer; J. L. Goss, v.p.-treasurer; Jerol C. Downer, v.p.-store operations; J. E. Sprouse, v.p.-merchandise & secretary.

Directors: J. A. Sprouse, Frederick H. Torp, R. A. Sprouse, II, John E. Sprouse, Ken L. Harrison, Peter F. Bochen.

Business Activities: Operates a chain of variety stores in Oregon, Washington, California, Utah, Montana, Texas, Nevada, New Mexico, Arizona, Idaho and Wyoming.

Transfer Agent(s):

Corporate Trust Department
U.S. National Bank of Oregon
P.O. Box 3850
Portland, Oregon 97208

Stock Exchange(s): Over-the-Counter

Ticker Symbol: STRS (NASDAQ)

Number of Stores: (at fiscal year end)

1987	313	1984	317
1986	321	1983	320
1985	322		

Sales & Earnings

	Net Sales	Net Income
1987	$ 218,578,224	$ 1,348,539
1986	205,652,397	2,477,274
1985	202,793,310	3,520,571
1984	182,663,648	4,941,967
1983	159,150,115	4,438,241

	No. of Com. Shares +	Earn. per Share ‡
1987	1,433,979	$ 0.94
1986	1,433,979	1.73
1985	1,438,552	2.45
1984	1,434,120	3.45
1983	1,434,140	3.09

+ Adjusted to reflect stock split.
‡ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1987	$ 0.60	—	—
1986	0.60	—	—
1985	0.65	—	10-for-1
1984	0.60	—	—
1983	0.55	—	—

‡ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	$ 59,506,239	$ 41.50
1986	59,018,068	41.16
1985	57,401,182	39.90
1984	54,825,914	38.23
1983	50,402,888	35.15

‡ Adjusted to reflect stock split.

Income Account *

Year ended Dec. 31	1987	1986
Net sales	$ 218,578,224	$ 205,652,397
Cost of sales	164,062,973	150,000,491
Expenses	53,513,494	50,625,748
Interest expense	1,235,412	904,450
Interest income	(241,050)	(350,308)
Other income	(22,603)	(25,258)
Income bef. taxes	$ 29,998	$ 4,497,274
Income taxes (credit)	(155,000)	2,020,000
Cum. effect of change in accntg. meth.	(1,163,561)	—
Net Income	$ 1,348,559	$ 2,477,274

* Included in Costs and Expenses, Depreciation and Amortization: $2,365,923 in 1987 and $2,093,848 in 1986.

Assets

As of Dec. 31	1987	1986
Cash & short-term invest.	$ 3,083,515	$ 9,115,867
Receiv., net	3,700,614	615,892
*Inventories	68,401,560	62,735,046
Prepaid expense	551,208	612,374
Deferred tax asset	486,253	—
Current Assets	$ 76,223,150	$ 73,079,179
Leased property under cap. leases	2,631,722	2,763,699
#Fixed assets	17,690,157	16,543,931
Other assets	780,124	784,751
Total Assets	$ 97,325,153	$ 93,171,560

Liabilities

Long-term debt, & cap. lease oblig., curr.	$ 279,000	$ 258,500
Accts. payable	14,996,156	11,514,557
Accruals	5,654,626	5,525,965
Income taxes	—	13,108
Curr. liabilities	$ 20,929,782	$ 17,312,130
Long-term debt	10,843,741	11,071,895
Deferred tax credits	470,780	612,256
Deferred inc. taxes	3,147,956	2,675,000
Cap. lease oblig.	2,426,655	2,482,211
+Common stock:		
Voting	3,374,300	3,459,340
Nonvoting	10,965,490	10,880,550
Retained earnings	45,166,449	44,678,278
Total Liabilities & Shareholders' Equity	$ 97,325,153	$ 93,171,560

* At lower of cost (principally LIFO) or market.
# Less accumulated depreciation and amortization.
+ $10 par value.

Statistical Summary

%Income bef. Taxes to Sales	0.01	2.19
%Net Income to Sales	0.62	1.20
%Net Income to Equity	2.27	4.26
Sales to Inventories	3.20	3.28
Debt to Equity	0.23	0.23
Working Capital	$ 55,293,368	$ 55,767,048
Current Ratio	3.64	4.22
Shareholders' Equity	$ 59,506,239	$ 59,018,068

Standard Brands Paint Company

4300 West 190th Street
Torrance, California 90509-2956
(213) 214-2411

Officers: Stuart D. Buchalter, chairman of the board & chief executive officer; Marvin Wager, president & chief operating officer; Eric Beck, exec. v.p.; Paul M. Ozawa, v.p., treasurer & chief accounting officer; Dan Bane, v.p.-corp. finance & chief financial officer; Wallace Steadman, v.p.-human resources; Vince D'Acchioli, v.p.-corp. services; Dorothy Cvetas, secretary.

Directors: Irwin R. Buchalter*, Marvyn Carton, Richard H. Loeffler*, Marvin Wager*, Stuart D. Buchalter*, Eric Beck*, Gerald M. Lushing*, Linda Wachner, Wayne H. Fisher.

* Member of the Executive Committee

Business Activities: Owns and operates 134 retail paint and decorating centers in eight western states. Operates eight art materials retail stores in California and Colorado, under the name of The Art Store. Also manufactures paint and paint products.

Subsidiaries:

Major Paint Company
4300 West 190th Street
Torrance, California 90509
(213) 542-5901
Produces paint and paint products.

Zynolyte Products Company
Carson, California
Distributes lines of aerosol spray and specialty paint products.

The Art Store

Transfer Agent(s):

City National Bank
Beverly Hills, California

Stock Exchange(s): New York

Ticker Symbol: SBP

Number of Stores: (at fiscal year end)

1987	142	1984	124
1986	148	1983	116
1985	133		

Sales & Earnings

	Net Sales ‡	Net Income ‡
1988	$ 305,475,000	$ 5,400,000
1987	297,203,000	15,007,000
1986	310,061,000	15,808,000
1985	293,363,000	20,779,000
1984	274,249,000	18,575,000

	No. of Com. Shares ‡	Earn. per Share ‡ †
1988	10,760,000	$ 0.47
1987	11,262,000	1.33
1986	11,271,000	1.40
1985	11,140,000	1.87
1984	11,081,000	1.68

+ Of continuing operations only.
‡ Based on the average number of shares outstanding adjusted to reflect stock split.
† Including extraordinary loss of $1,041,000 ($0.01 per share in 1988).

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1988	$ 0.445	—	—
1987	0.575	—	—
1986	0.555	—	—
1985	0.53	—	—
1984	0.4875	—	3-for-1

+ Adjusted to reflect stock split.

Common Stock Equity

	Tangible Stockholders' Equity	Equity Per Share †
1988	$ 25,671,000	$ 4.53
1987	168,729,000	15.26
1986	166,050,000	14.69
1985	153,816,000	13.79
1984	138,625,000	12.46

† Adjusted to reflect stock split.

Income Account * (000's)

Year ended Sept. 30	1988	1987
Net sales	$ 305,475	$ 297,203
Cost of sales	166,076	164,347
Expenses	111,052	102,331
Oper. profit	$ 28,347	$ 30,525
Interest income	(1,971)	(2,093)
Interest expense	6,434	3,593
Other income	(325)	(399)
Restruc. charges	7,272	—
Income before taxes	$ 16,937	$ 29,424
Income taxes	8,181	13,088
Inc.-cont. oper	$ 8,756	$ 16,336
Loss-discont. oper	(2,315)	(1,329)
Net Income	$ 6,441	$ 15,007
Extraord. loss	(1,041)	—
Net Income & Extraord. loss	$ 5,400	$ 15,007

Assets (000's)

As of Sept. 30	1988	1987
Cash & short-term invest.	$ 3,696	$ 14,417
Receiv., net	$ 13,687	9,783
*Inventories	70,358	72,000
Prepaid expenses	18,185	11,100
Current Assets	$ 105,926	$ 107,300

Standard Brands Paint Company

#Fixed assets	145,135	138,229
Other assets	7,959	7,124
Total Assets	$ 259,020	$ 252,653
Liabilities (000's)		
Long-term debt, curr.	$ 2,206	$ 3,989
Note payable	1,000	4,000
Accts. payable & accruals	33,540	29,146
Curr. Liabilities	$ 36,746	$ 37,135
Long-term debt	185,693	36,002
Def. inc. taxes	6,830	7,103
+Preferred stock	1	—
++Common stock	57	11,182
Add. paid-in capital	11,970	4,948
Retained earnings	34,292	158,858
Treasury stock	(906)	(2,575)
Receivables	(15,663)	—
Total Liabilities & Shareholders' Equity	$ 259,020	$ 252,653

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value; 10% cumulative
+ $1 par value.

Statistical Summary

%Net Income to Equity	21.65	8.70
Sales to Inventories	4.34	4.13
Debt to Equity	6.33	0.26
Working Capital	$ 69,180,000	$ 70,165,000
Current Ratio	2.88	2.89
Shareholders' Equity	$ 29,751,000	$ 172,413,000

Standex International Corporation

6 Manor Parkway
Salem, New Hampshire 03079
(603) 893-9701

Officers: Daniel E. Hogan, chairman of the board; Thomas L. King, president & chief exec. officer; Warren S. Cooper, vice chairman; Samuel S. Dennis, III, v.p.; Sam G. Grillo, exec. v.p.-operations; John M. Wall, v.p.-industrial relations & corporate communications; John J. Bentley, controller; Thomas H. DeWitt, exec. v.p.-administration, general counsel & secretary; Norman B. Asher, asst. secretary; Lindsey M. Sedwick, treasurer; Deborah A. Rosen, asst. secretary & asst. corp. attorney; Tom L. Peterson, corp. counsel & asst. secretary; Robert R. Kettinger, asst. controller.

Directors: Daniel E. Hogan*, chairman; John Bolten, Jr., William Brewster, William L. Brown*, Warren S. Cooper*, Samuel S. Dennis, III*, Thomas L. King*, John Hill, C. Kevin Landry, Sol Sackel, Daniel B. Hogan, H. Nicholas Muller, III.

* Member of the Executive Committee

Business Activities: The Electronics Group manufactures electronic components, inductors, capacitors, connectors, reed switches and reed relays. The Industrial Group manufactures embossing rolls and plates, mold engraving, specialty converting and finishing machinery and systems, ducting for heating, air-conditioning, and ventilation systems; power metal spinning of components for aerospace, energy systems, and industrial applications. The Consumer Products Group manufactures and sells pine furniture and furnishings through its Yield House mail order operation and manages a chain of 20 Yield House retail stores; sells grapefruit and other gift packages and fund raising supplies through other mail order operations. The Institutional Products Group manufactures patient-feeding systems, handblown glassware, barbecuing and baking equipment, candlelamps and candles, food waste disposers, refrigeration equipment, slicing machines and choppers, casters and wheels, and food racks, cabinets and carts. The Graphics Group publishes religious literature and manufactures election supplies; manufactures commercial printing products and educational materials and specialized binding systems; operates a chain of 17 Berean religious retail bookstores.

Transfer Agent(s):

The First National Bank of Boston
P.O. Box 1619
Boston, Massachusetts 02102

Stock Exchange(s): New York

Ticker Symbol: SXI

Number of Stores: (at fiscal year end)

1987	37	1984	44
1986	41	1983	40
1985	43		

Sales & Earnings

	Net Sales	Net Income
1987	$ 409,172,577	$ 17,355,000
1986	376,322,000	15,593,000
1985	375,275,000	18,568,000
1984	378,547,000	20,006,000
1983	357,731,000	16,099,000

	No. of Com. Shares #	Earn. per Share #
1987	12,350,000	$ 1.41
1986	13,040,000	1.20
1985	13,601,000	1.37
1984	13,854,000	1.44
1983	13,612,000	1.18

Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues by Line of Business (000's)

	1987	1986
Graphics	$ 107,301	$ 100,642
Consumer	49,827	56,157
Institutional	153,479	131,004
Electronics	17,233	14,958
Industrial	80,839	72,940
General, corporate & other	494	621
Total	$ 409,173	$ 376,322

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1987	$ 0.52	—	—
1986	0.52	—	—
1985	0.52	—	—
1984	0.50	—	2-for-1
1983	0.48	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	$ 159,664,000	$ 13.05
1986	146,784,000	11.85
1985	147,251,000	10.94
1984	144,019,000	10.39
1983	132,614,000	9.72

‡ Adjusted to reflect stock split.

Income Account

Year ended June 30	1987	1986
Net sales	$ 409,172,577	$ 376,322,417
Other income	967,445	1,345,772
Total income	$ 410,140,022	$ 377,688,189
Cost of sales	261,413,477	240,380,431
Expenses	104,747,157	97,310,729
Depreciation & amortization	9,690,203	8,358,345
Interest expense	4,622,981	3,409,049
Income before taxes	$ 29,666,204	$ 28,209,735
Income taxes	12,311,000	12,617,000
Net income	$ 17,355,204	$ 15,592,735

Assets

As of June 30	1987	1986
Cash	$ 9,411,824	$ 8,112,595
Receiv., net	58,115,306	52,753,769
*Inventories	87,863,587	78,794,348
Prepaid expenses	3,949,520	3,383,190
Current Assets	$ 159,340,237	$ 143,543,902
#Fixed assets	85,626,721	79,183,291
Receivables	9,491,544	7,005,166
Intangibles	12,529,402	11,851,697
Total Assets	$ 266,987,904	$ 241,594,056
Liabilities		
Notes payable & long-term debt, curr.	$ 5,340,221	6,799,012
Accts. payable	23,544,482	19,645,931
Accruals	4,735,034	4,583,842
Accrued payroll	12,192,791	11,863,981
Income taxes	3,593,796	4,257,425
Curr. Liabilities	$ 49,406,324	$ 47,150,191
Long-term debt	45,851,195	37,244,036
Deferred inc. taxes	9,795,000	9,186,000
Other liab.	2,271,623	1,230,094
+Common stock	20,988,209	20,988,209
Add. paid-in capital	5,896,185	6,276,606
Retained earnings	157,263,556	146,282,899
Cum. trans. adjust.	615,137	(3,510,314)
Treasury stock	(25,097,327)	(22,653,665)
Bank loan	—	(600,000)
Total Liabilities & Shareholders' Equity	$ 266,987,904	$ 241,594,056

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	7.25	7.50
%Net Income to Sales	4.24	4.14
%Net Income to Equity	10.87	10.62
Sales to Inventories	4.66	4.78
Debt to Equity	0.32	0.30
Working Capital	$ 109,933,913	$ 96,393,711
Current Ratio	3.23	3.04
Shareholders' Equity	$ 159,663,760	$ 146,783,735

State-O-Main, Inc.

10 West 33rd Street
New York, New York 10001
(212) 244-1911

Officers: Milton Weinick, chairman of the board & secretary; Harvey Sanders, president & treasurer; David Chu, pres.-Nautica Apparel, Inc.

Directors: Milton Weinick, chairman; Harvey Sanders, David Chu, George Greenberg.

Business Activities: Operates two men's retail clothing stores in New York, New York, and Costa Mesa, California, under the Nautica name. Also manufactures and distributes men's swimwear, loungewear, robes, and sportswear.

Subsidiaries:

Van Baalen Pacific Corp.

Nautica Apparel, Inc.
Nautica Retail N.Y., Inc.
Nautica Retail Costa Mesa, Inc.
Nautica Hong Kong Limited

Transfer Agent(s):

Harris Trust Company of New York
110 William Street
New York, New York 10038

Stock Exchange(s): Over-the-Counter

Ticker Symbol:

Number of Stores:

1988	2

Sales & Earnings

	Net Sales +	Net Income
1988	$ 55,267,944	$ 4,062,108
1987	36,252,833	2,087,874
1986	28,925,861	1,572,695
1985	26,251,323	1,527,356
1984	20,120,335	911,783

	No. of Com. Shares #	Earn. per Share #
1988	2,386,988	$ 1.70
1987	2,175,797	0.96
1986	2,165,597	0.73
1985	2,150,300	0.71
1984	2,150,300	0.42

+ Of continuing operations only.
# Based on the average number of shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	—	—	5-for-4
1987	—	—	6-for-5

Common Stock Equity

	Total Equity	Equity Per Share #
1988	$ 16,234,345	$ 6.80
1987	9,955,179	4.58
1986	7,856,955	3.63
1985	6,240,710	2.90
1984	4,713,154	2.19

Adjusted to reflect stock splits.

Income Account *

Year ended Feb. 28	1988	1987
Net sales	$ 55,267,944	$ 36,252,833
Cost of sales	34,013,363	22,801,240
Expenses	13,268,871	8,699,839
Interest expense	879,021	342,355
Other income	(354,560)	(23,863)
Income before taxes	$ 7,461,249	$ 4,433,262
Income taxes	3,383,283	2,252,937
Minority interest	15,856	92,451
Net income	$ 4,062,108	$ 2,087,874

* Included in Costs and Expenses, Depreciation and Amortization: $540,466 in 1988 and $316,509 in 1987.

Assets

As of Feb. 28	1988	1987
Cash	$ 940,023	$ 896,806
Accts. receiv., net	7,784,036	4,918,869
*Inventories	9,377,272	5,702,350
Prepaid expenses	2,613,685	1,089,579
Purchased quota	194,257	194,257
Deferred tax benefit	228,900	—
Current Assets	$ 21,118,173	$ 13,801,861
#Fixed assets	4,589,596	3,367,363
Other assets	3,050,816	1,377,486
Total Assets	$ 28,778,585	$ 18,546,710

Liabilities

Notes payable	$ 6,473,000	$ 2,830,000
Long-term debt, curr.	380,333	380,333
Accts. payable	1,327,959	1,563,602
Retained earnings	2,192,866	1,337,577
Income taxes	367,764	268,113
Curr. Liabilities	$ 10,741,920	$ 6,379,575
Long-term debt	1,532,920	1,913,253
Minority interest	—	107,503
Def. inc. taxes	279,400	191,200
+ Common stock	247,587	181,433
Add. paid-in capital	3,157,222	1,261,691
Common stock options outstanding	1,832,000	—
Retained earnings	12,640,992	8,578,484
Treasury stock	(1,653,056)	(66,429)
Total Liabilities & Shareholders' Equity	$ 28,778,585	$ 18,546,710

* At lower of cost (LIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	13.50	12.23
%Net Income to Sales	7.35	5.76
%Net Income to Equity	25.04	20.90
Sales to Inventories	5.89	5.41
Debt to Equity	0.12	0.51
Working Capital	$ 10,396,253	$ 7,422,286
Current Ratio	1.97	2.16
Shareholders' Equity	$ 16,234,345	$ 9,955,179

Steinberg Inc.

Alexis Nihon Plaza
1500 Atwater Avenue
Montreal, Quebec, H3Z 1Y3, Canada
(514) 931-9131

Officers: Melvyn A. Dobrin, chairman of the board; Irving Ludmer, president & chief executive officer; William Cleman, pres.-Real Estate Group; Jean-Roch Vachon, pres.-Food Group, Canada; H. Arnold Steinberg, exec. v.p.-finance & development; Michael Kershaw, v.p.-Steinberg; Leslie Mann, group v.p. & gen. mgr.-Ontario Supermarket Division; Henri Tremblay, sr. v.p.-exec. development & succession planning; Diane Marcelin Laurin, v.p.-general counsel & secretary; Alain Bilodeau, v.p.-labour relations; Morris Ladenheim, sr. v.p.-food retailing, Canada; Alain Germain, group v.p. & gen. mgr.-Quebec Supermarket Division; Pierre Brodeur, group v.p.-Steinberg distribution-Canada; Louis Cousineau, group v.p.-human resources; Marcel Croux, v.p.-systems & chief information officer; Pierre de Grandpre, v.p.-taxation; C. Thomas Hickey, v.p.-Steinberg; Harry Lutgens, group v.p.-Valdi Foods Inc.; Bernard McDonell, v.p.-real estate; Pierre Guilbault, v.p. & comptroller; Louis Roquet, v.p.-corp. development; Hans Schumetz, v.p. & treasurer; Lewis Steinberg, v.p.-Steinberg; Ron Christoffer, v.p.-architecture & construction; Harold G. Geraghty, v.p.-development & expansion; Denis Lemay, v.p.-business development, Food Group-Canada; Douglas R. Long, v.p.-communications; Jack Mooullem, v.p.-mergers & acquisitions; Gerald Pelletier, v.p.-administration, Food Group-Canada; Mark Sellors, asst. treasurer; Michel Beland, assistant secretary.

Directors: Donald G. Campbell, Andre Charron, J. V. Raymond Cyr*, Melvyn Dobrin*, Mitzi S. Dobrin*, Gerard Pelourde*, H. Arnold Steinberg*, Irving Ludmer*, Marc Lalonde, Norman E. Auerbach.

* Member of the Executive Committee

Business Activities: Operates food stores in the provinces of Quebec, New Brunswick, and Ontario. Also operates discount department stores under the name of M Stores. Other businesses include restaurants, flour milling, bakery and food processing operations, with restaurant activities in Manitoba, and box stores in Ontario, Manitoba, Saskatchewan and Alberta.

Divisions:

Quebec Supermarket Division
5400 Hochelaga Street
Montreal, Quebec, Canada
(514) 252-7411
Operates 119 food stores in Quebec and eastern Ontario.

Ontario Supermarket Division
65 Rexdale Boulevard
Etobicoke, Ontario, Canada
(416) 747-3000
Operates 72 food stores in southern and northwestern Ontario.

Trillium Meats
Wholesale operations.
Steinberg Distribution

Multi Restaurants Division
Alexis Nihon Plaza
1500 Atwater Avenue
Montreal 216, Quebec, Canada
(514) 931-9131
Operates 131 fast food restaurants.

Subsidiaries:

M Stores Inc.
5151 Thimens Boulevard
Ville St. Laurent Avenue
Montreal H4R 2C8 Quebec, Canada
(514) 333-6111
Operates 21 department stores in Quebec and Ontario.

Smitty's Super Valu, Inc.
2626 South Seventh Street
Phoenix, Arizona 85034
(602) 262-1000
Operates 22 supermarket-department stores in the U.S. Southwest.

Valdi Foods (1987) Inc.
155 Rexdale Blvd.
Etobicoke, Ontario, M9W 5Z8, Canada
(416) 744-2260
Operates 70 food stores, under the names Valdi Foods, Jadis/Basics, and Le Marche du Jour primarily in Ontario.

Ivanhoe Inc.
Alexis Nihon Plaza
1500 Atwater Avenue
Montreal, Quebec, Canada
(514) 931-9131
Engaged in ownership and development of shopping centers.

Le Group Franchise Plus Inc.
5707 Sherbrooke St. East
Montreal, Quebec
(514) 252-7891
Franchise operation servicing a chain of 71 convenience stores in Quebec, operating under the name La Maisonnee.

Oak Pharmacies Limited
65 Rexdale Boulevard
Etobicoke, Ontario, Canada
(416) 747-3000
Operates the pharmacy sections of seven Miracle Food Mart food and drug combinations super stores in Ontario.

Steinberg Inc.

Franchises 5-16-11 (1987) Inc.
P.O. Box 310
Westmount Station
Westmount, Quebec, H3Z 2T5, Canada
(514) 934-7798

Develops and franchises "Les 5 Saisons" premium quality perishable food stores in Quebec.

Aligro Inc.
733 Smith Boulevard South
Thetford-Mines, Quebec, O6G 6K4, Canada
(418) 338-4545

Operates cash-and-carry centers, food distribution centers, affiliated, independent and retail food stores in Quebec and eastern New Brunswick.

Salisbury House

Operates 23 restaurants.

Transfer Agent(s):

Montreal Trust Company
Montreal, Halifax, Toronto, Winnipeg, Regina, Calgary & Vancouver, Canada.

Stock Exchange(s): Toronto, Montreal

Ticker Symbol: SBG

Number of Stores

	Super-markets	Dept. Stores
1987	217	21
1986	227	31
1985	239	31
1984	241	32
1983	242	32

	Restaurants	Grocery Stores
1987	154	66
1986	162	66
1985	173	66
1984	189	88
1983	198	85

Sales & Earnings +

	Net Sales † ('000')	Net Income ‡ ('000's)
1987	$ 4,491,355	$ 66,926
1986	4,041,948	38,938
1985	3,801,247	73,634
1984	3,341,580	15,021
1983	3,248,058	13,392

	No. of Com. Shares ‡	Earn. per Share ‡ x
1987	19,546,702	$ 2.87
1986	16,772,376	1.51
1985	16,752,576	4.19
1984	14,252,576	0.24
1983	14,252,576	0.36

+ In Canadian dollars.
† Includes operating revenues.
‡ Based on class A and Common Shares combined adjusted to reflect stock split.
x Including extraordinary gains of $8,457,000 ($0.45 per share) in 1987 and $1,313,000 ($0.09 per share) in 1983.

Common Stock

	Cash Dividend #	Stock Dividend	Stock Split
1987	$ 0.50	—	—
1986	0.50	—	—
1985	0.50	—	2-for-1
1984	0.50	—	—
1983	0.70	—	—

Paid on Class A and common stock adjusted to reflect stock split.

Common Stock Equity

	Total Equity ‡	Equity Per Share ‡ ‡
1987	$ 541,133,000	$ 27.68
1986	401,446,000	23.93
1985	382,059,000	22.81
1984	276,250,000	19.38
1983	275,799,000	19.35

‡ After allowing for cum. redeem. preferred shares, series A at par value of $100; second preferred shares, series one and two, at par value of $25; second preference shares, series A at redemption value of $25 and series B at stated value (U.S. $25); third preferred shares, series I at redemption value of $30.24; fourth preferred shares, series I at stated value of $3 per share.
‡ ‡ Based on Class A and common stock combined adjusted to reflect stock split.

Income Account ('000's)

Year ended	7/25/87	7/26/86
Net sales & oper. rev.	$ 4,491,355	$ 4,041,948
Cost of sales & expenses	3,594,584	3,185,481
Wages & empl. benefits	717,817	672,502
Rentals	40,230	43,214
Depreciation & amortization	54,391	49,966
Interest exp.	45,335	45,246
Loss (gain) on disposal of fixed assets	(7,068)	1,476
Interest income	(20,687)	(20,787)
Other income	(16,149)	(8,916)
Income before taxes	$ 82,902	$ 73,766
Special charge	—	15,123
Income before taxes	23,577	19,292
Minority interest	856	413
Net Income	$ 58,469	$ 38,938
Extraord. gain	8,457	—
Net Income & Extraord. gain	$ 66,926	$ 38,938

Assets ('000's)

As of	7/25/87	7/26/86
Cash & invest.	$ 162,207	$ 184,983
Accts. recev., net	90,912	53,772
°Inventories	340,488	333,069
Prepaid expenses	24,450	23,662
Deferred inc. taxes	—	1,524
Current Assets	$ 618,057	$ 597,010
# Fixed assets-real estate	211,401	185,971
# Fixed assets-retail & mfg.	423,181	334,513
Intangibles	145,514	62,643
Other assets	71,200	41,609
Total Assets	$ 1,469,353	$ 1,221,753

Liabilities ('000's)

Notes payable	$ 21,100	$ 12,581
Long-term debt, curr.	29,647	3,666
Accts. payable & accruals	361,101	329,383
Dividends payable	23	23
Income taxes	1,356	1,485
Def. inc. taxes	525	—
Curr. Liabilities	$ 413,752	$ 347,138
Long-term debt	347,611	319,161
Minority interest	2,726	1,281
Deferred inc. taxes	15,475	14,542
+Series A 5.25% preferred	1,759	1,769
+ +$1.95 second preferred	34,888	36,524
+ + var. rate second preferred	18,600	19,250
+ + +$2.9375 series A	35,625	35,625
+ + +U.S. $2.875 series B	20,143	20,143
+ + +$2.72 third preferred	22,129	24,874
+ + +$0.0002 fourth preferred	15,516	—
+ + +Class A	174,983	76,315
+ + +Common stock	12,176	12,176
Add. paid-in capital	2,516	2,429
Retained earnings	347,223	303,094
Cum. trans adj.	4,235	7,432
Total Liabilities Shareholders' Equity	$ 1,469,353	$ 1,221,753

° At lower of cost (retail & average) and net realizable value U.S. inventories at lower of cost (LIFO & FIFO) or market.
Less accumulated depreciation and amortization.
+ $100 par value
+ + $25 par value.
+ + + No par value.

Statistical Summary

%Income bef. Taxes to Sales	1.85	1.83
%Net Income to Sales	1.30	0.96
%Net Income to Equity	8.48	7.22
Debt to Equity	0.58	0.62
Working Capital	$ 204,305,000	$ 249,872,000
Current Ratio	1.49	1.72
Shareholders' Equity	$ 689,789,000	$ 539,631,000

The Stop & Shop Companies, Inc.

(Became a privately held corporation on June 22, 1988).

P.O. Box 369
Boston, Massachusetts 02101
(617) 770-8000

Officers: Avram J. Goldberg, chairman & chief executive officer; Carol R. Goldberg, president & chief operating officer; Harold Frank, sr. v.p., chairman & C.E.O.-Bradlees Dept. Stores; Joseph D. McGlinchey, sr. v.p., treasurer & chief financial officer; Jack Kushinsky, sr. v.p.; Donald J. Comeau, sr. v.p.; Lewis G. Schaeneman, Jr., sr. v.p. & president & C.E.O.-Stop & Shop Supermarket Co.; James V. Morgan, v.p.-labor relations; Samuel W. W. Mandell, sr. v.p.-gen. counsel, clerk & secretary; Harold E. Fine, v.p.-engineering & construction; Arthur S. Robbins, v.p.-financial services & asst. treasurer; Charles Richards, v.p.-corporate properties; Robert Manson, v.p.-information systems; Rufus E. Lester, group v.p.-public policy & technical affairs; Aileen Gorman, v.p.-public affairs; Glenn E. Davis, controller; Paul H. Froeschlag, asst. treasurer & director-taxes.

Directors: Clifton B. Cox, Julian I. Edison, Avram J. Goldberg*, Irving W. Rabb*, Norman S. Rabb, William W. Wolbach, Albert S. Frager*, Carol R. Goldberg*, John G. L. Cabot, Phyllis A. Wallace, Robert J. Levin, Harold Frank, Roderick MacDougal, Joan T. Bok, Lewis G. Schaeneman, Jr., Charles W. Schmidt*.

* Member of the Executive Committee

Business Activities: Operates 162 Bradlees Discount Department Stores in New England, New York, New Jersey, Pennsylvania, Delaware, Maryland, and Virginia and 113 Stop & Shop Supermarkets in Rhode Island, Massachusetts, New York, and Connecticut. The manufacturing division operates the following: Bakery, dairy, seafood processing plant, carbonated beverage plant, recycling center, photo lab and commissary.

Divisions and Subsidiaries:

Bradlees Department Store Company
1 Bradlees Circle
Braintree, Massachusetts 02184
(617) 770-8000

Stop & Shop Supermarket Company
Quincy Center Plaza
Quincy, Massachusetts 02172
(617) 770-8000

Number of Stores: (at fiscal year end)

	Bradlees	Other general merchandise stores
1987	162	—
1986	158	143
1985	132	135
1984	127	168
1983	106	175

Sales & Earnings

	Net Sales + (000's)	Net Income + (000's)
1987	$ 3,872,419	$ 38,400
1986	3,429,508	30,300
1985*	3,075,928	34,845
1984	2,641,228	30,801
1983	2,206,186	34,823

	No. of Com. Shares †	Earn. per Share #+
1987	13,989,000	$ 2.77
1986	13,810,000	2.20
1985*	13,748,000	4.60
1984	11,600,000	4.73
1983	10,253,000	3.43

* 53 weeks.
+ Of continuing operations only.
† Adjusted to reflect stock splits.
# Based on the weighted average number of common shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend #	Stock Dividend	Stock Split
1987	$ 1.10	—	—
1986	1.08	—	—
1985	0.94	—	—
1984	0.73	—	2-for-1
1983	0.59	—	5-for-4

Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share #
1987	$ 431,028,000	$ 31.01
1986	405,670,000	29.37
1985	388,830,000	28.28
1984	204,611,000	24.54
1983	181,455,000	17.70

Adjusted to reflect stock splits.

Income Account (000's)

Year ended	1/31/87	2/1/86
Net sales	$ 3,872,419	$ 3,429,508
Cost of sales	2,852,678	2,567,831
Expenses	821,096	714,479
Depreciation & amortization	72,181	60,768
Interest expense	37,589	29,654
Restruc. costs	750	—
Income before taxes	$ 88,125	$ 56,776
Income taxes	43,725	21,400
Inc. cont. oper.	$ 44,400	$ 35,376
Loss-discont. oper.	(6,000)	(5,076)
Net Income	$ 38,400	$ 30,300

Assets (000's)

As of	1/31/87	2/1/86
Cash & market secur.	$ 56,895	$ 35,058
Accts. receiv., net	41,442	40,050
*Inventories	454,939	481,650
Prepaid expenses	19,868	17,141
Net assets of discont. oper.	30,134	—
Current Assets	$ 603,278	$ 573,899
#Fixed assets	360,094	342,016
Cap. lease oblig.	133,984	124,668
Def. lease acq. costs	52,304	67,016
Other assets	4,959	4,389
Total Assets	$ 1,154,519	$ 1,111,988

Liabilities (000's)

Long-term debt, curr.	$ 3,339	$ 10,364
Cap. lease oblig. curr.	13,946	13,601
Accts. payable	249,351	249,035
Accruals	76,948	67,689
Income taxes	16,434	2,459
Curr. Liabilities	$ 360,018	$ 343,148
Long-term debt	213,718	227,528
Deferred credit	15,983	8,865
Oblig. under cap. lease	133,772	126,777
+Common stock	14,000	13,929
Add. paid-in capital	132,375	130,012
Retained earnings	286,869	263,716
Treasury stock	(2,216)	(1,987)
Total Liabilites & Shareholders' Equity	$ 1,154,519	$ 1,111,988

* At lower of cost (FIFO) or market; Supermarket, grocery and Bradlees Dept. Stores at LIFO.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Net Income to Equity	0.99	7.47
Sales to Inventories	8.51	7.12
Debt to Equity	0.85	0.93
Working Capital	$ 243,260,000	$ 230,751,000
Current Ratio	1.51	1.67
Shareholders' Equity	$ 431,028,000	$ 405,670,000

Strawbridge & Clothier

801 Market Street
Philadelphia, Pennsylvania 19105
(215) 629-4000

Officers: Francis R. Strawbridge, III, chairman of the board; Peter S. Strawbridge, president; G. Stockton Strawbridge, chairman of the exec. comm.; Ronald B. Avellino, II, exec. v.p.-planning, development & research; Richard H. Hall, exec. v.p.-control, operations & personnel; Warren W. White, exec. v.p. & gen. mgr.-Clover Div.; Steven L. Strawbridge, v.p., treasurer & secretary; David W. Strawbridge, v.p.-personnel; Robert G. Muskas, v.p.-stores; William A. Timmons, v.p.-sales promotion; George L. Compton, v.p. & general merch. mgr.; Charles D. Hollander, v.p. & gen. merch. mgr.; Natalie B. Weintraub, v.p. & gen. merch. mgr.; Thomas S. Ritenhouse, v.p. & controller; William A. Rittmayer, v.p.-control & operations, Clover Div.; Louis F. Busico, v.p. & general merchandise manager, Clover Div.; G. Leonard Shea, v.p.-personnel & services, Clover Div.; Robert A. Hoffner, v.p.-stores, Clover Div.; John J. Leahy, v.p. & gen. superintendent; Alice T. Kanigowski, v.p. & general merchandise mgr.-Clover Div..

Directors: G. Stockton Strawbridge*, Winthrop deV. Schwab, James M. Gasseway, II, Francis R. Strawbridge, III*, Peter S. Strawbridge*, David W. Strawbridge*, Isaac H. Clothier, IV, Steven L. Strawbridge*, Warren W. White*, Margaret S. Clews, Anne C. Longstreth, Richard H. Hall, Paul E. Shipley, Thomas B. Harvey.

* Member of the Executive Committee

Business Activities: Operates department stores and discount variety stores in Pennsylvania, New Jersey and Delaware. The department stores operate under the Strawbridge & Clothier name; the discount variety stores operate under the Clover name.

Transfer Agent(s):

Mellon Bank (East) N.A. (preferred stock)
Corporate Trust Division
Four Mellon Bank Center
Philadelphia, Pennsylvania 19102

The Philadelphia National Bank (common stock)
Corporate Trust Administration
P.O. Box 13834
Philadelphia, Pennsylvania 19101

Stock Exchange(s): Over-the-Counter

Ticker Symbol: STRWA (NASDAQ)

Number of Stores: (at fiscal year end)

1987	34	1984	33
1986	33	1983	29
1985	33		

Sales & Earnings

	Net Sales ‡	Net Income
1988	$ 814,313,000	$ 27,014,000
1987	739,117,000	20,692,000
1986	686,929,000	24,086,000
1985*	630,496,682	24,675,406
1984	545,489,497	20,856,762

	No. of Com. Shares †	Earn. per Share †
1988	7,816,961	$ 3.45
1987	7,788,518	2.65
1986	7,648,619	3.14
1985*	9,101,776	2.70
1984	9,622,484	2.16

* 53 weeks.
‡ Includes leased department sales.
† Based on the weighted average number of shares outstanding adjusted to reflect stock dividends and stock splits.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1988	$ —	7%	—
1987	1.12	7%	—
1986	0.61	7%	—
1985	0.43	7%	3-for-2 & 2-for-1
1984	0.35	7%	—

+ Adjusted to reflect stock dividends and stock splits.

Common Stock Equity

	Total Equity	Equity Per Share †
1988	$ 190,050,000	$ 24.40
1987	167,922,000	21.75
1986	151,504,000	19.76
1985	130,982,000	17.20
1984	159,735,000	16.52

† Adjusted to reflect stock dividends and stock splits.

Income Account

Year ended	1/30/88	1/31/87
Net sales	$ 814,313,000	$ 739,117,000
Other income	852,000	629,000
Total income	$ 815,165,000	$ 739,746,000
Cost of sales	592,309,000	536,932,000
Expenses	130,499,000	117,937,000
Depreciation	18,812,000	16,911,000
Pension cost	1,880,000	1,912,000
Interest expense	17,694,000	17,066,000
Prov. for doubtful accts.	5,232,000	7,254,000
Income before taxes	$ 48,739,000	$ 41,734,000
Income taxes	21,725,000	21,042,000
Net income	$ 27,014,000	$ 20,692,000

Assets

As of	1/30/88	1/31/87
Cash	$ 1,883,000	$ 5,684,000
Accts. receiv., net	153,278,000	149,610,000
*Inventories	115,022,000	104,073,000
Prepaid expenses	6,719,000	7,862,000
Current Assets	$ 276,902,000	$ 267,029,000
#Fixed assets	233,508,000	197,801,000
Other assets	7,879,000	7,809,000
Total Assets	$ 518,289,000	$ 472,639,000

Liabilities

Long-term debt & cap. lease oblig., curr.	$ 6,037,000	$ 5,506,000
Accounts payable	53,082,000	47,991,000
Accruals	12,786,000	9,843,000
Deferred taxes	4,293,000	22,679,000
Other taxes	14,676,000	15,592,000
Curr. Liabilities	$ 90,874,000	$ 101,611,000
Long-term debt	128,685,000	115,271,000
Cap. lease oblig.	63,351,000	58,780,000
Other liab.	43,945,000	27,671,000
+Redeem pref. stock	1,384,000	1,384,000
++Common stock	7,321,000	6,832,000
Add. paid-in capital	79,921,000	57,588,000
Retained earnings	103,803,000	105,835,000
Treasury stock	(995,000)	(2,333,000)
Total Liabilities & Shareholders' Equity	$ 518,289,000	$ 472,639,000

* At cost (LIFO method).
# Less accumulated depreciation.
+ $100 par value, $5 cumulative.
++ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	5.99	5.65
%Net Income to Sales	3.32	2.80
%Net Income to Equity	14.21	12.32
Sales to Inventories	7.08	7.10
Debt to Equity	1.04	1.07
Working Capital	$ 186,028,000	$ 165,418,000
Current Ratio	3.05	2.63
Shareholders' Equity	$ 190,050,000	$ 167,922,000

The Stride Rite Corporation

5 Cambridge Center
Cambridge, Massachusetts 02142
(617) 491-8800

Officers: Arnold Hiatt, chairman & chief exec. officer; Michael W. Rayden, president & chief operating officer; John J. Phelan, exec. v.p. & treasurer; Michel Y. Ohayon, exec. v.p.-sourcing; Ronald Sykes, sr. v.p.-human resources; Marcia C. Morris, sr. v.p.,-general counsel, secretary & clerk; John M. Kelliher, corp. controller; William E. Dawson, asst. treasurer.

Directors: Arnold Hiatt, chairman of the board; John J. Phelan, Walter J. Salmon, Myles J. Slosberg, Joel E. Smilow, Michael W. Rayden, Margaret A. McKenna, Donald R. Dixon.

Business Activities: Manufactures and markets children's footwear under the names Stride Rite, Keds and Zips; boating and recreational shoes and adult work boots and shoes under the names Sperry Top-Sider, Herman and Herman Survivors; and casual and athletic footwear for children and adults under the names Keds, Pro-Keds and Grasshoppers. These products are sold through independent retail shoe stores, department stores, sporting goods stores and marinas, as well as through its 185 Stride Rite Bootery Stores, 28 Overland Trading Company stores, and 66 leased departments in leading department stores.

Subsidiaries:

Joseph M. Herman Shoe Company, Inc.
The Keds Corporation
Sperry Top-Sider, Inc.
Stride Rite Footwear, Inc.
Stride Rite International, Ltd.
Stride Rite Retail Corp.

Transfer Agent(s):

The First National Bank of Boston
Boston, Massachusetts 02102

Stock Exchange(s): New York

Ticker Symbol: SRR

Number of Stores:* (at fiscal year end)

1987	279	1985	237
1986	257		

* Includes leased departments.

Sales & Earnings

	Net Sales	Net Income †
1987	$ 333,733,000	$ 24,121,000
1986	283,457,000	17,014,000
1985	277,310,000	11,178,000
1984	289,489,000	5,420,000
1983	301,698,000	16,803,000

	No. of Com. Shares +	Earn. per Share † ‡
1987	13,816,000	$ 1.60
1986	15,064,000	1.12
1985	15,058,000	0.74
1984	14,990,000	0.36
1983	14,990,000	1.18

† Including extraordinary gain of $489,000 ($0.03 per share) in 1985.
+ Adjusted to reflect stock split.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend‡	Stock Dividend	Stock Split
1987	$ 0.455	—	2-for-1
1986	0.40	—	—
1985	0.40	—	—
1984	0.40	—	—
1983	0.36	—	—

‡ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	$ 119,237,000	$ 8.63
1986	122,729,000	8.15
1985	111,526,000	7.41
1984	105,674,000	7.05
1983	105,983,000	7.07

‡ Adjusted to reflect stock split.

Income Account *

Year ended	11/27/87	11/28/86
Net sales	$ 333,733,000	$ 283,457,000
Cost of sales	179,747,000	158,127,000
Expenses	113,091,000	95,739,000
Invest. income	(1,503,000)	(1,884,000)
Interest expense	888,000	1,137,000
Other income	(1,090,000)	(601,000)
Income before taxes	$ 42,560,000	$ 30,939,000
Income taxes	18,439,000	13,925,000
Net Income	$ 24,121,000	17,014,000

* Included in Costs and Expenses, Depreciation and Amortization: $4,143,000 in 1987 and $4,361,000 in 1986.

Assets

As of	11/27/87	11/28/86
Cash & cash equivalents	$ 5,422,000	$ 17,921,000
Marketable securities	19,729,000	15,485,000
Accts. receiv., net	57,265,000	48,203,000
*Inventories	76,551,000	70,549,000
Deferred inc. taxes	10,740,000	8,899,000
Prepaid expenses	3,302,000	6,447,000
Current Assets	$ 172,909,000	$ 167,504,000
#Fixed assets	20,352,000	21,584,000
Other assets	3,624,000	3,348,000
Intangibles	1,875,000	1,926,000
Total Assets	$ 198,760,000	$ 194,362,000

Liabilities

Long-term debt, curr.	$ 990,000	$ 990,000
Accts. payable	25,036,000	23,064,000
Accruals	33,911,000	25,571,000
Curr. Liabilities	$ 59,937,000	$ 49,625,000
Long-term debt	8,755,000	9,745,000
Deferred inc. taxes	10,831,000	12,263,000
+Common stock	7,603,000	7,603,000
Add. paid-in capital	29,733,000	30,301,000
Retained earnings	102,683,000	85,266,000
Treasury stock	(20,782,000)	(461,000)
Total Liabilities & Shareholders' Equity	$ 198,760,000	$ 194,362,000

* At lower of cost (LIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income before Taxes to Sales	12.75	10.91
%Net Income to Sales	7.23	6.00
%Net Income to Equity	20.23	13.86
Sales to Inventories	4.36	4.02
Debt to Equity	0.08	0.09
Working Capital	$ 112,972,000	$ 117,879,000
Current Ratio	2.88	3.38
Shareholders' Equity	$ 119,237,000	$ 122,729,000

Stuarts Department Stores, Inc.

45 South Street
Hopkinton, Massachusetts 01748
(617) 435-9711

Mailing address:
P.O. 9101
Hopkinton, Massachusetts 01748-9101

Officers: Marc C. Ostrow, chairman; Harry Kohn Jr., president & chief exec. officer; Joseph B. Garb, sr. v.p.-finance, chief financial officer & secretary; Anthony J. Cincotta, sr. v.p.-merchandising; Richard Silverman, sr. v.p.-operations.

Directors: Marc C. Ostrow, chairman; Harry Kohn, Jr., James J. Fuld, Jr., Joseph B. Garb, Martin S. Orland.

Business Activities: Operates a chain of discount department stores, with emphasis on apparel, through New England.

Transfer Agent(s):

Manufacturers Hanover Trust Company
New York, New York

Stock Exchange(s): Over-the-Counter

Ticker Symbol: STUS (NASDAQ)

Number of Stores: (at fiscal year end)

1988	20	1985	11
1987	21	1984	9
1986	16		

Sales & Earnings

	Net Sales	Net Income
1988	$ 128,953,000	$ 585,000
1987	120,261,000	1,251,000
1986	94,887,000	2,520,000
1985*	63,625,000	2,223,000
1984+	21,003,000	726,000

	No. of Com. Shares ‡	Earn. per Share ‡
1988	4,386,448	$ 0.13
1987	4,329,170	0.29
1986	4,081,821	0.62
1985*	4,019,451	0.55
1984+	N.A.	0.18

N.A. - Not Available.
* 53 weeks.
+ 15 weeks
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	—	—	—
1987	—	—	—
1986	—	—	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	$ 16,558,336	$ 3.77
1987	15,755,231	3.64
1986	14,095,361	3.45
1985	8,324,680	2.07
1984	1,325,600	—

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account

Year ended	1/30/88	1/31/87
Net sales	$ 128,953,421	$ 120,261,190
Other income	1,793,730	1,733,164
Total income	$ 130,747,151	$ 121,994,354
Cost of sales	95,158,537	88,050,669
Expenses	33,603,944	29,647,614
Depreciation & amortization	1,372,687	1,176,146
Interest expense	1,122,819	647,554
Income (loss) before taxes	$ (510,836)	2,472,371
Income taxes (credit)	(193,419)	1,221,421
Cum. effect of accntg. change	(902,677)	—
Net income	$ 585,260	$ 1,250,950

Assets

As of	1/30/88	1/31/87
Cash	$ 1,923,225	$ 1,484,204
*Inventories	25,696,082	24,291,403
Inc. tax receiv.	851,586	—
Other curr. assets	1,448,396	1,500,716
Current Assets	$ 29,919,289	$ 27,276,323
#Fixed assets	7,104,941	6,014,934
Leaseholds	5,352,238	4,720,325
Other assets	498,954	142,487
Intangibles	489,855	508,915
Total Assets	$ 43,365,277	$ 38,662,984

Liabilities

Accts. payable	$ 8,399,813	$ 8,059,777
Accrued exp.	554,722	631,886
Other accruals	3,796,715	2,369,623
Curr. Liabilities	$ 12,950,652	$ 11,061,286
Long-term debt	12,500,000	10,700,000
Deferred inc. taxes	1,030,245	484,503
Other liabilities	325,844	661,964
+Common stock	51,859	51,346
Add. paid-in capital	11,278,420	10,783,027
Retained earnings	7,004,618	6,419,358
Treasury stock	(1,776,561)	$ 1,498,500)
Total Liabilities & Shareholders' Equity	$ 43,365,277	$ 38,662,984

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	2.06
%Net Income to Sales	0.45	1.04
%Net Income to Equity	3.53	7.94
Sales to Inventories	5.02	4.95
Debt to Equity	0.75	0.68
Working Capital	$ 16,968,437	$ 16,215,037
Current Ratio	2.31	2.47
Shareholders' Equity	$ 16,558,336	$ 15,755,231

Sunshine-Jr. Stores, Inc.

June Avenue & 17th Street
P.O. Box 2498
Panama City, Florida 32402
(904) 769-1661

Officers: Leona J. Lewis, chairman; Lana Jane Lewis-Brent, vice chairman, president & chief executive officer; John Eaves, v.p.-finance & accounting & chief financial officer; Harold Millis, v.p.-construction & maintenance; James Burkhalter, v.p.-gasoline marketing; Patti Woodham, asst. to president/corp. communications; Richard McAllister, v.p.-retail operations; Dwan Ramsey, controller.

Directors: Leona J. Lewis, Lana Jane Lewis-Brent, Buford F. Ennis, Roberta Fox, Harold C. Pope, Wilbur Brewton.

Business Activities: Owns and operates supermarkets and convenience stores offering self-service gasoline under the names "Sunshine Supermarkets" and "Jr. Food Stores." Units are located in Florida, Alabama, Georgia, Mississippi, and Louisiana.

Divisions:

Jr. Food Stores
June Avenue & 17th Street
Panama City, Florida 32401
(904) 769-1661

Sunshine Supermarkets
June Avenue & 17th Street
Panama City, Florida 32401
(904) 769-1661

Transfer Agent(s):

AmeriTrust Company, N.A.
Cleveland, Ohio 44101

Stock Exchange(s): American

Ticker Symbol: SJS

Number of Stores: (at fiscal year end)

1987	316	1984	342
1986	330	1983	352
1985	340		

Sales & Earnings

	Net Sales	Net Income
1987*	$ 178,385,166	$ 1,039,323
1986x	165,871,175	2,736,800
1985	183,087,562	2,497,097
1984	181,891,524	2,218,547
1983	169,272,584	1,817,617

	No. of Com. Shares ‡	Earn. per Share ‡
1987*	1,701,650	$ 0.61
1986x	1,701,650	1.61
1985	1,701,650	1.47
1984	1,701,650	1.30
1983	1,701,650	1.07

* 53 weeks.
x Restated to reflect improperly totaled inventory balances.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	$ 0.48	—	—
1986	0.48	—	—
1985	0.48	—	—
1984	0.48	—	—
1983	0.48	—	—

Common Stock Equity

	Total Equity	Equity Per Share #
1987	$ 23,113,150	$ 13.58
1986	22,890,619	13.45
1985	20,970,611	12.32
1984	19,290,305	11.34
1983	17,888,410	10.51

Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended Dec. 31	1987 (53 weeks)	1986 ‡
Net sales	$ 178,385,166	$ 165,871,175
Cost of sales	138,594,266	124,465,132
Expenses	38,632,547	37,158,613
Interest expense	1,073,280	609,898
Other income	(1,719,607)	(1,599,822)
Income before taxes	$ 1,804,680	$ 5,237,554

Sunshine-Jr. Stores, Inc.

Income taxes	765,357	2,500,754
Net Income	$ 1,039,323	$ 2,736,800

* Included in Costs and Expenses, Depreciation and Amortization: $3,481,416 in 1987 and $2,965,013 in 1986.
‡ Restated.

Assets

As of Dec. 31	1987	1986 ‡
Cash	$ 2,596,918	$ 1,713,922
Accts. receiv., net	528,068	483,825
Refund. inc. taxes	377,141	—
*Inventories	8,634,971	8,192,860
Prepaid expenses	281,282	81,747
Deferred inc. tax benefits	527,840	610,136
Current Assets	$ 12,946,220	$ 11,082,490
#Fixed assets	37,161,962	32,994,100
Other assets	572,934	555,980
Total Assets	$ 50,681,116	$ 44,632,570

Liabilities

Long-term debt, curr.	$ 61,248	$ 145,583
Accts. payable	9,300,369	8,590,329
Accrued payroll	823,683	736,975
Claims payable	719,556	596,323
Income taxes	—	224,075
Local taxes	546,465	593,114
Curr. Liabilities	$ 11,451,321	$ 10,886,399
Deferred credits	2,559,853	2,026,963
Long-term debt	13,556,792	8,828,589
+Common stock	170,165	170,165
Add. paid-in capital	5,124,245	5,124,245
Retained earnings	17,818,740	17,596,209
Total Liabilities & Shareholders' Equity	$ 50,681,116	$ 44,632,570

‡ Restated.
* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	1.01	3.16
%Net Income to Sales	0.58	1.65
%Net Income to Equity	4.50	11.96
Sales to Inventories	20.66	20.25
Debt to Equity	0.59	0.39
Working Capital	$ 1,494,899	$ 196,091
Current Ratio	1.13	1.02
Shareholders' Equity	$ 23,113,150	$ 22,890,619

Super Rite Foods, Inc.

(Rite Aid Corporation has a 46.8% interest in the Company)

3900 Industrial Road
P.O. Box 2261
Harrisburg, Pennsylvania 17105
(717) 232-6821

Officers: Alex Grass, chairman of the board & chief executive officer; Peter Vanderveen, president & chief operating officer; David Gundling, executive v.p.; Roger Grass, treasurer; William K. Schantzenbach, v.p.-finance & chief financial officer; Robert Anderson, v.p.-purchasing; Edward Dougherty, v.p.-sales; Albert Faccin, v.p.-human resources; John Harrison, v.p.-controller; Wilbur Shirey, v.p.-distribution; Joseph Zunic, v.p.-advertising & promotion; I. Lawrence Gelman, secretary.

Directors: Alex Grass, chairman of the board; Abraham Allen, David Gundling, Roger Grass, Morris Levinson, Neil Norry, Peter Vanderveen.

Business Activities: Operates 36 supermarkets in Maryland and Virginia under the names Food-A-Rama, Super Super, Basics, and Basics and More. Also has wholesale grocery operations.

Transfer Agent(s):

Morgan Shareholders Services Trust Co.
30 West Broadway
New York, New York 10007

Registrar and Transfer Co.
Jersey City, New Jersey 07302

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SRFI (NASDAQ)

Number of Stores: (at fiscal year end)

1988	36	1986	45
1987	37		

Sales & Earnings

	Net Sales	Net Income
1988	$ 642,485,000	$ 4,967,000
1987	602,554,000	3,803,000
1986	602,464,000	3,210,000
1985	375,609,000	5,178,000
1984*	286,832,000	3,959,000

	No. of Com. Shares ‡	Earn. per Share ‡
1988	5,037,742	$ 0.99
1987	5,037,500	0.75
1986	5,037,500	0.64
1985	5,037,500	1.03
1984*	4,431,000	0.89

* 53 weeks.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business
(000's)

	1987	1986
Wholesale grocery	$ 498,996	$ 463,881
Retail grocery	327,421	312,542
Intersegment sales	(183,932)	(173,869)
Total	$ 642,485	$ 602,554

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	$ 0.20	—	—
1987	0.20	—	—
1986	0.19	—	—
1985	0.16	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	$ 37,370,000	$ 7.42
1987	33,406,000	6.63
1986	30,611,000	6.08
1985	28,358,000	5.63
1984	23,986,000	5.41

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended	2/27/88	2/28/87
Net sales	$ 642,485	$ 602,554
Cost of sales	540,588	508,132
Expenses	89,213	82,657
Interest expense	3,787	4,246
Eq. in earn. of joint venture	—	(20)
Income before taxes	$ 8,897	$ 7,539
Income taxes	3,930	3,736
Net Income	$ 4,967	$ 3,803

* Included in Costs and Expenses, Depreciation and Amortization: $7,451,000 in 1988 and $6,927,000 in 1987.

Assets
(000's)

As of	2/27/88	2/28/87
Cash	$ 3,329	$ 1,766
Accts. receiv., net	10,035	12,563
*Inventories	45,439	41,715
Prepaid expenses	2,460	2,295
Current Assets	$ 61,263	$ 58,339
#Fixed assets	43,595	43,118
Notes receivable	1,273	1,481
Other assets	2,003	1,039
Intangibles	8,919	9,894
Total Assets	$ 117,053	$ 113,871

Liabilities
(000's)

Short-term debt	$ 9,000	$ 8,000
Long-term debt & cap. lease oblig., curr.	7,895	7,937
Accts. payable	28,598	28,094
Accruals	6,455	4,368
Income taxes	445	(1,062)
Curr. Liabilities	$ 52,393	$ 47,337
Long-term debt	18,567	25,656
Cap. lease oblig.	4,309	4,487
Deferred inc. taxes	4,414	2,985
+Common stock	252	252
Add. paid-in capital	9,443	9,438
Retained earnings	27,675	23,716
Total Liabilities & Shareholders' Equity	$ 117,053	$ 113,871

* At lower of cost (principally FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.05 par value.

Statistical Summary

%Income before Taxes to Sales	1.38	1.25
%Net Income to Sales	0.77	0.63
%Net Income to Equity	13.29	11.36
Sales to Inventories	14.14	14.44
Debt to Equity	1.06	1.38
Working Capital	$ 8,870,000	$ 11,002,000
Current Ratio	1.17	1.23
Shareholders' Equity	$ 37,370,000	$ 33,406,000

Super Value Stores, Inc.

P.O. Box 990
Minneapolis, Minnesota 55440
(612) 828-4000

Officers: Michael W. Wright, chairman, president & chief executive officer; John E. Morrissey, sr. v.p.-distribution; John B. Ferris, sr. v.p.-finance; Thomas L. Dekko, v.p.-sales; J. Gary Rhymes, v.p. & controller; Ronald C. Tortelli, v.p.-human resources; Sumner H. Goldman, exec. v.p.;

Lloyd Stenbeck, v.p.-store engineering; John J. Prior, v.p.-labor relations; Robert O. Erickson, v.p.-corp. strategic planning; Phillip A. Dabill, v.p. & regional president-Retail Support Companies; Laurence L. Anderson, v.p. & regional president-Retail Support Companies; Michael L. Mulligan, v.p.-communications; Jeffrey Noddle, v.p.-merchandising; H. S. Smith, III, v.p.-info. services; David A. Cairns, treasurer; William C. Hunt, v.p., legal general counsel; William J. Tyrell, sr. v.p. & pres.-ShopKo Stores; Gordon W. Hippen, v.p.-market development; James A. Strom, secretary.

Directors: John E. Morrissey, Michael W. Wright, Arnold R. Weber, Harriet Perlmutter, Vernon H. Heath, Stephen I. D'Agostino, Richard D. McCormick, Garnett L. Keith, C. James McNutt, William E. C. Dearden, Edwin C. Gage, Sumner H. Goldman.

Business Activities: Engaged principally in the supplying and servicing of nearly 3,000 retail food stores in 32 states from 18 distribution centers. Independent retailers own and operate more than 2,900 of the retail food stores and the Company owns all or a majority interest of the remaining 96 stores. Most of the stores operate under one of the Super Valu licensed or sub-licensed names: Super Valu, IGA, Sure Save, Shop 'n Save, Great Scot, County Market, Cub Foods, Hornbachers, U-Save, Disco, Super Dollar, Sunflower, Banner and Food Giant. The Company also owns and operates the ShopKo group of 77 general merchandise discount stores. Other operations include Preferred Products, a food processing and packing operation; Planmark, which provides engineering and architectural services for supermarkets, retail stores, shopping centers and wholesale distribution facilities; Studio 70, an interior design studio; and Risk Planners, Inc., an insurance agency.

Divisions and Subsidiaries:

Bismarck Division
707 Airport Road
Bismarck, North Dakota 58501
(701) 222-5600

Des Moines Division
3900 N.W. 106th Street
Des Moines, Iowa 50322
(515) 278-0211

Ryans Division
1629 King Avenue West
Billings, Montana 59102
(406) 657-1400

Green Bay Division
451 Joannes Avenue
Green Bay, Wisconsin 54304
(414) 437-3221

Fargo Division
3501 12th Avenue North
Fargo, North Dakota 58102
(701) 293-2100

Ohio Valley Division
1003 Bellbrook Avenue
Xenia, Ohio 45385
(513) 376-9441

ShopKo Stores, Inc.
2800 South Ashland
Green Bay, Wisconsin 54303
(414) 497-2211

Preferred Products, Inc.
312 Lake Hazeltine Drive
Chaska, Minnesota 55318
(612) 448-5252

Minneapolis Division
101 Jefferson Avenue South
Hopkins, Minnesota 55343
(612) 932-4444

Charley Brothers Company
P.O. Box 1000
New Stanton, Pennsylvania 15672

Planmark, Inc.
11840 Valley View Road
Eden Prairie, Minnesota 55344

Risk Planners, Inc.
11840 Valley View Road
Eden Prairie, Minnesota 55344
Suite 70
11840 Valley View Road
Eden Prairie, Minnesota 55344

Anniston Division
Roberts Drive, Industrial Park
Anniston, Alabama 36201
(205) 831-1840

Food Marketing Corporation
4815 Executive Boulevard
Interstate Industrial Park
Fort Wayne, Indiana 46801
(219) 483-2146

J. M. Jones Company
2611 N. Lincoln Avenue
Urbana, Illinois 61801
(217) 384-2800

The Lewis Grocer Co.
Highway 49 South
Indianola, Mississippi 38751
(601) 887-5211

Cub Food Stores
127 Water Street
Stillwater, Minnesota 55082

Albuquerque Division
5600 Second Street NW
Albuquerque, New Mexico 87107

Denver Division
1983 Tower Road
Aurora, Colorado 80011

Atlanta Division
600 Selig Drive SW
Atlanta, Georgia 30336

West Coast Grocery Co.
495 East 19th Street
Tacoma, Washington 98421

SVS Trucking, Inc.
11840 Valley View Road
Eden Prairie, Minnesota 55344

Food Giant, Inc.
Atlanta, Georgia
Supermarket chain currently operating 35 stores.

Transfer Agent(s):

Norwest Bank Minneapolis, N.A.
Corporate Agency-Stock Transfer
161 North Concord Exchange
P.O. Box 738
South Saint Paul, Minnesota 55075-0738

Stock Exchange(s): New York

Ticker Symbol: SVU

Number of Stores: (at fiscal year end)

	Food Stores	Dept. Stores
1988	96	75
1987	107	65
1986	71	59
1985	60	49
1984	79	39

Sales & Earnings

	Net Sales +	Net Income
2/27/88	$9,371,665,000	$ 111,780,000
2/28/87*	9,065,819,000	89,301,000
2/22/86	7,905,016,000	91,247,000
2/23/85	6,547,680,000	107,212,000
2/25/84	5,727,565,000	76,732,000

	No. of Com. Shares #	Earn. per Share ‡
2/27/88	74,724,268	$ 1.50
2/28/87*	74,547,967	1.20
2/22/86	74,283,789	1.23
2/23/85	74,079,844	1.45
2/25/84	73,885,750	1.04

* 53 weeks.
+ Of continuing operations only.
# Based on the weighted average number of shares outstanding adjusted to reflect stock split.
‡ Adjusted to reflect stock split.

Revenues by Line of Business

	1988 ('000's)	%	1987 ('000's)	%
Wholesale food	$7,948,600	84.9%	$7,747,031	85.5%
Retail food	1,361,590	14.4	1,353,393	14.9
Retail gen. merch. oper.	1,072,378	11.4	915,403	10.1
Eliminations	(1,010,903)	(10)	(950,008)	(10)
Total	$9,371,665	100%	$9,065,819	100%

Common Stock

	Cash Dividend #	Stock Dividend	Stock Split
2/27/88	0.435	—	—
2/28/87	0.41	—	—
2/22/86	0.37	—	2-for-1
2/23/85	0.33	—	—
2/25/84	0.2925	—	—

Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share #
2/27/88	$ 677,429,000	$ 9.07
2/28/87	596,216,000	8.00
2/22/86	534,830,000	7.20
2/23/85	469,170,000	6.33
2/25/84	384,671,000	5.21

Adjusted to reflect stock split.

Income Account * ('000's)

Year ended	2/27/88	2/28/87 (53 weeks)
Net sales	$ 9,371,665	$ 9,065,819
Cost of sales	8,466,417	8,243,368
Expenses	664,211	597,511
Interest & other debt expense	42,768	35,743
Loss from closing	—	6,052
Minority interest	—	3,785
Income before taxes	$ 198,269	$ 188,930
Income taxes	86,489	99,629
Net Income	$ 111,780	$ 89,301

* Included in Costs and Expenses, Depreciation and Amortization: $103,268,000 in 1988 and $86,215,000 in 1987.

Assets
(000's)

As of	2/27/88	2/28/87
Cash	$ 2,170	$ 3,432
Receiv., net	191,360	163,026
*Inventories	698,383	650,741
Supplies & prepaid expenses	17,126	15,556
Deferred inc. tax benefits	15,515	14,701
Invest. in dir. fin. leases	7,252	7,109
Current Assets	$ 931,806	$ 854,565
Long-term notes receiv.	38,066	25,748
Investments & advances	77,543	72,621
#Fixed assets	903,127	797,297
Other assets & deferr. charges	65,241	47,656
Total Assets	$ 2,016,185	$ 1,797,887

Liabilities
(000's)

Long-term debt, curr.	$ 5,613	$ 5,515
Capital lease oblig. curr.	12,971	11,996
Accts. payable	464,004	442,236
Notes payable	141,542	124,978
Checks outstanding	10,085	38,875
Accrued compensation	41,745	36,118
Accrued interest	7,798	7,807
Retire. plan contrib.	20,629	21,683
Dividends payable	8,220	7,827
Income taxes	8,829	15,421
Other taxes	35,641	29,741
Curr. Liabilities	$ 757,077	$ 742,197
Long-term debt	389,484	295,139
Oblig. under capital leases	155,583	134,021
Def. inc. taxes	35,001	26,722
Other liabilities	1,611	3,592
+Common stock	74,734	74,548
Add. paid-in capital	5,258	3,524
Retained earnings	597,447	518,144
Total Liabilities & Shareholders' Equity	$ 2,016,185	$ 1,797,887

* At lower of cost (majority at LIFO; remainder at FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	2.12	2.08
%Net Income to Sales	1.19	0.99
%Net Income to Equity	16.50	14.98
Sales to Inventories	13.42	13.93
Debt to Equity	0.83	0.75
Working Capital	$ 174,729,000	$ 112,368,000
Current Ratio	1.23	1.15
Shareholders' Equity	$ 677,429,000	$ 596,216,000

Supermarkets General Holdings Corporation

200 Milik Street
Carteret, New Jersey 07008
(201) 499-3000

(Acquired Supermarkets General Corporation in a leveraged buyout, which was completed on October 5, 1987.)

Officers: Kenneth Peskin, chairman of the board & chief executive officer; James D. Dougherty, president; Jack Futterman, vice chairman; Jeffrey C. Girard, v.p., treasurer & chief financial officer; Jerome Katcher, sr. v.p.-technical services; Maureen McOurl, v.p.-human resources & organization planning; Arnold J. Pearl, v.p.-real estate & store development; Joseph Adelhardt, controller; Marc A. Strassler, secretary & general counsel.

Directors: Kenneth Peskin, chairman; James D. Dougherty, Jack Futterman, James J. Burke, Jr., Jeffrey L. Berenson, Stephen M. McLean, Sunil C. Khanna, Steven L. Martin.

Business Activities: Operates a chain of supermarkets under the Pathmark name in New York, New Jersey, Connecticut, Delaware and Pennsylvania; supermarkets and super warehouse stores under the names Purity Supreme, Heartland and Angelo's in Massachusetts, New Hampshire and Connecticut; conventional drug stores in New York, Connecticut and New Jersey under the Pathmark and Heartland names; Rickel Home Centers in Delaware, Connecticut, Maryland, New Jersey, New York, Rhode Island and Pennsylvania selling such items as lumber, plumbing fixtures, garden tools and supplies and other household items.

Divisions:

PathMark
Rickel Home Centers
Purity Supreme

Transfer Agent(s):

Manufacturers Hanover Trust Co.
New York, New York

Number of Stores:

	Supermarkets	Drug Stores & Depts.
1987	204	164
1986	200	191
1985	181	181
1984	175	166
1983	130	131

	Dept. Home Centers	Specialty Stores
1987	49	—
1986	45	—
1985	42	28
1984	40	29
1983	36	33

NOTE: Supermarkets General Holdings Corp. and its wholly-owned subsidiary SMG Acquisition Corp. were formed by Merrill Lynch Capital Partners, Inc. to effect the acquisition of Supermarkets General Corporation. The Company acquired Supermarkets' remaining outstanding common stock on October 5, 1987, when SMG was merged with and into Supermarkets.

Sales & Earnings

	Net Sales (000's)	Net Income (000's)
1/30/88+†	$ 3,682,038	$ (41,783)
10/3/87x‡	3,858,979	27,768
1/31/87x	5,507,937	60,865
2/1/86x	4,960,045	63,712
2/2/85x*	4,164,198	52,424

	No. of Com. Shares #	Earn. per Share #
1/30/88+†	1,000,000	$ —
10/3/87x‡	38,733,000	0.72
1/31/87x	38,071,000	1.60
2/1/86x	35,830,000	1.78
2/2/85x	35,565,000	1.48

(Loss)
† 33 weeks.
‡ 35 weeks.
* 53 weeks.
+ Company.
x Supermarkets.
Based on the weighted average number of common shares and common shares equivalents outstanding adjusted to reflect stock split.

Revenues by Line of Business

	10/3/87 (35 weeks) (000's)	1/31/87 (000's)
Supermarkets & drug stores	$ 3,543,100	$ 5,091,900
Home centers	315,900	416,000
Total	$ 3,859,000	$ 5,507,900

Common Stock

	Cash Dividend #	Stock Dividend	Stock Split
1/30/88	$ —	—	—
10/3/87	0.07	—	—
1/31/87	0.27	—	2-for-1
2/1/86	0.23	—	—
2/2/85	0.21	—	—

Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share #
1/30/88+	$ 45,299,000	$ 45.30
10/3/87x	496,550,000	12.82
1/31/87x	465,791,000	12.23
2/1/86x	346,981,000	9.68
2/2/85x	287,410,000	8.08

+ Company.
x Supermarkets.
Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account
(000's)

Year ended	1/30/88 + (33 weeks)	10/3/87 x (35 weeks)
Net sales	$ 3,682,038	$ 3,858,979
Cost of sales	2,811,247	2,946,096
Expenses	697,971	744,332
Depreciation & amortization	61,233	55,703
Amort. of ex. of price over fair value	16,742	165
Interest expense	150,984	14,469
Unusual items	—	34,524
Income (loss) before taxes	$ (56,139)	$ 63,690
Income taxes (credit)	(18,164)	35,922
Minority interest	3,808	—
Net Income (Loss)	$ (41,783)	$ 27,768

+ Company.
x Supermarkets.

Assets
(000's)

As of	1/30/88 +	10/3/87 x
Cash	$ 3,390	$ 31,003
Accts. receiv., net	9,315	8,610
*Inventories	478,539	421,723
Inc. tax receiv.	17,871	—
Deferred inc. taxes	—	11,818
Other curr. assets	60,193	75,243
Current Assets	$ 569,308	$ 548,397
#Fixed assets	933,436	636,204
Deferred fin. costs	50,017	360
Other assets	17,802	8,187
Intangibles	1,114,255	18,935
Adv. to affil.	—	77,858
Total Assets	$ 2,684,818	$ 1,289,941

Liabilities (000's)		
Long-term debt, curr.	$ 99,363	$ 12,688
Cap. lease oblig., curr.	6,882	6,699
Accts. payable	313,250	303,191
Accruals & other liabilities	99,042	101,618
Accrued payroll	69,856	56,344
Fed. inc. taxes	—	37,123
Def. inc. taxes	24,337	—
Curr. Liabilities	$ 612,730	$ 517,663
Long-term debt	1,539,172	37,968
Oblig. under cap. leases	157,905	146,943
Def. inc. taxes	147,331	27,455
Other liabilities	84,613	63,362
Redeem. Stock:	87,760	—
+Preferred	10,000	—
+Common	—	38,813
++Common stock	6	—
+Class A common	3	—
+Class B common		
Add. paid-in capital	89,611	59,457
Retained earnings (deficit)	(44,321)	398,280
Total Liabilities & Shareholders' Equity	$ 2,684,818	$ 1,289,941

+ Company.
a Supermarkets.
* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.
++ $1 par value.

Statistical Summary		
%Income bef. Taxes to Sales	—	1.65
%Net Income to Sales	—	0.72
%Net Income to Equity	—	5.59
Sales to Inventories	7.69	9.15
Working Capital	—	$ 30,734,000
Current Ratio	—	1.06
Shareholders' Equity	$ 45,299,000	$ 496,550,000

Syms Corp.

Syms Way
Secaucus, New Jersey 07094
(201) 902-9600

Officers: Sy Syms, chairman of the board & chief executive officer; Marcy Syms, president & chief operating officer; Richard B. Diamond, v.p.-finance & treasurer; Irwin Shievek, v.p.-operations; Norman Fately, v.p.-merchandise; Gregory Diamond, v.p.-merchandise; Ira Weiser, v.p.-mens wear; Charles Koopersmith, v.p.-men's wear; Alan Kilman, v.p.-women's wear; Abraham Oliver, v.p.-imports; Timothy Pranschke, v.p.-human resources; Stephen Merns, v.p. & secretary; Robert Syms, v.p.; Richard Morehouse, v.p.-management information systems; Eugene Karp, v.p.-merchandise.

Directors: Sy Syms, chairman of the board; Marcy Syms, Richard B. Diamond, Wilbur L. Ross, Jr., J. Sloame Immerman.

Business Activities: Operates 22 retail stores which sell offprice apparel for men, women and children. Stores are located in New York, New Jersey, Massachusetts, Pennsylvania, Virginia, Maryland, Florida, Illinois, Michigan, Ohio, Missouri and Georgia.

Subsidiaries:

Syms Advertising Inc.
A. Sulka & Company LTD. Operates five clothing stores under the A. Sulka name, in New York, San Francisco, London and Paris.

Transfer Agent(s):

American Stock Transfer Company
New York, New York

Stock Exchange(s): New York

Ticker Symbol: SYM

Number of Stores: (at fiscal year end)

1987	27	1985	20
1986	22		

Sales & Earnings	Net Sales	Net Income
1987	$ 256,756,000	$ 17,830,000
1986	223,071,000	14,773,000
1985	215,168,000	12,715,000
1984	204,251,000	12,712,000
1983	179,231,000	10,341,000
	No. of Com. Shs.os	Ears. per Share ‡
1987	$ 17,650,000	$ 1.01
1986	17,650,000	0.84
1985	17,650,000	0.72
1984	17,650,000	0.72
1983	17,650,000	0.59

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity	Total Equity	Equity Per Share
1987	$ 98,811,000	$ 5.60
1986	81,031,000	4.59
1985	66,258,000	3.75
1984	53,543,000	3.15
1983	40,831,000	2.31

Income Account *
(000's)

Year ended Dec. 31	1987	1986
Net sales	$ 256,756	$ 223,071
Cost of sales	171,934	153,317
Expenses	51,919	42,883
Interest expense (income)	342	(295)
Gain on sale of fi. ast.	—	(2,565)
Income before taxes	$ 32,561	$ 29,731
Income taxes	14,781	14,958
Net Income	$ 17,780	$ 14,773

* Included in Costs and Expenses, Depreciation and Amortization: $3,563,000 in 1987 and $2,342,000 in 1986.

Assets
(000's)

As of Dec. 31	1987	1986
Cash	$ 2,530	$ 5,991
Accts. receiv., net	1,923	1,828
*Inventories	48,340	36,289
Prepaid expenses	832	991
Deferred inc. taxes	434	—
Current Assets	$ 53,959	$ 45,099
#Fixed assets	81,207	59,441
Other assets	2,510	2,315
Total Assets	$ 137,676	$ 106,855

Liabilities
(000's)

Bank loan	$ 5,000	$ 3,000
Long-term debt, curr.	77	71
Cap. lease oblig., curr.	75	63
Accts. payable	18,181	7,768
Accruals	3,609	3,069
Oblig. to cust.	2,003	1,599
Income taxes	856	1,643
Curr. Liabilities	$ 29,801	$ 17,213
Long-term debt	4,996	5,073
Cap. lease oblig.	2,265	2,340
Deferred inc. taxes	1,803	1,198
+Common stock	883	883
Add. paid-in capital	11,339	11,339
Retained earnings	86,589	68,809
Total Liabilities & Shareholders' Equity	$ 137,676	$ 106,855

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.05 par value.

Statistical Summary		
%Income bef. Taxes to Sales	12.68	13.33
%Net Income to Sales	6.92	6.62
%Net Income to Equity	17.99	18.23
Sales to Inventories	5.32	6.15
Debt to Equity	0.13	0.13
Working Capital	$ 24,158,000	$ 27,886,000
Current Ratio	1.81	2.62
Shareholders' Equity	$ 98,811,000	$ 81,031,000

Tandy Brands, Inc.

550 Bailey, Suite 660
Fort Worth, Texas 76107
(817) 334-8200

Officers: Carson R. Thompson, chairman of the board, president & chief executive officer; Britt Jenkins, exec. v.p.-mfg.; Robert Nourse, exec. v.p.-specialty retail; Harold C. DeHart, v.p. and treasurer; Michael J. Veitenheimer, secretary & gen. counsel; Stanley T. Ninemire, asst. treasurer and controller.

Directors: Carson R. Thompson, chairman; John A. Wilson, Jesse Upchurch, Clayton E. Niles, Edmund H. Dumon, Robert Runice, Roger Stern, Loretta Blum.

Business Activities: Operates principally in two segments: Leather Manufacturing and Specialty Retailing.

Divisions:

T.A.B. Accessories
Manufactures leather products and markets men's and boys' belts, wallets, neckwear and other accessories.

The Bombay Company
A chain of 114 stores operating in the U.S. and Canada, specializing in selling antique English furniture reproductions and related home improvement products.

Transfer Agent(s):

First National Bank of Boston
Boston, Massachusetts

Stock Exchange(s): American

Ticker Symbol: TAB

Number of Stores: (at fiscal year end)

1987	114	1984	N.A.
1986	126	1983	100
1985	85		

N.A. - Not Available.

Sales & Earnings	Net Sales +	Net Income ‡
1987	$ 67,430,000	$ (5,741,000)
1986	62,607,000	(484,000)
1985	52,647,000	3,331,000
1984	61,573,000	(13,067,000)
1983	63,033,000	(5,499,000)

Tandy Brands, Inc.

	No. of Com. Shares	Earn. per Share † ‡
1987	3,867,825	$ —
1986	3,764,715	—
1985	3,616,527	0.94
1984	3,439,738	—
1983	3,336,145	—

(Loss)
+ Of continuing operations only.
‡ Including extraordinary gains of $294,000 in 1986 and $1,544,000 ($0.43 per share) in 1985.
† Based on the weighted average number of common shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend †	Stock Dividend	Stock Split
1987	$ —	—	3-for-2
1986	—	—	—
1985	—	—	—
1984	—	—	—
1983	0.10	—	—

† Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share †
1987	$ 10,213,000	$ 2.64
1986	15,167,000	4.03
1985	14,868,000	4.11
1984	10,673,000	3.10
1983	22,855,000	6.85

† Adjusted to reflect stock split.

Income Account (000's)

Year ended June 30	1987	1986
Net sales	$ 67,420	$ 62,607
Interest, royalty & other income	410	234
Total income	$ 67,830	$ 62,841
Cost of sales*	30,185	31,083
Expenses	30,827	28,851
Depreciation & amortization	1,779	1,672
Interest expense	1,005	832
Loss on disposal of Tex Tan Western	9,355	883
Loss bef. taxes	$ (5,321)	$ (480)
Income taxes	420	298
Net loss	$ (5,741)	$ (778)
Extraord. gain	—	294
Net Loss & extraord. gain	$ (5,741)	$ (484)

Assets (000's)

As of June 30	1987	1986
Cash	$ 759	$ 228
Accts. receiv., net	2,701	2,688
*Inventories	14,576	13,705
Other current assets	1,282	630
Current Assets	$ 19,318	$ 17,251
#Fixed assets	10,265	9,434
Other assets & intangibles	3,879	3,740
Total Assets	$ 33,462	$ 30,425

Liabilities (000's)

Notes payable & long-term debt, curr.	$ 133	$ 3,610
Accts. payable	1,196	1,520
Accrued payroll	2,730	2,096
Accrued expenses	5,728	3,661
Curr. Liabilities	$ 9,807	$ 10,887
Long-term debt	642	603
Other liabilities	2,310	1,278
Subordinated conv. notes	8,000	—
Subordinate deben.	2,490	2,490
+Common stock	4,089	2,726
Add. paid-in capital	16,746	17,876
Ret. earnings (deficit)	(9,639)	(3,898)
For. curr. trans.	(64)	(190)
Treasury stock	(919)	(1,347)
Total Liabilities & Shareholders' Equity	$ 33,462	$ 30,425

* At lower of cost (average) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

Sales to Inventories	4.63	4.57
Debt to Equity	0.06	0.28
Working Capital	$ 9,511,000	$ 6,364,000
Current Ratio	1.97	1.58
Shareholders' Equity	$ 10,213,000	$ 15,167,000

Tandy Corporation

1800 One Tandy Center
Fort Worth, Texas 76102
(817) 390-3700

Officers: John V. Roach, chairman, president & chief executive officer; John McDaniel, senior v.p. & controller; Paul L. Hill, senior v.p. & treasurer; Herschel C. Winn, sr. v.p. & secretary; John W. Burnam, v.p.; Ronald L. Parrish, v.p.; Richard L. Ramsey, v.p.; Donald L. Bock, asst. treasurer; Jana R. Freundlich, asst. secretary; Jim B. Sheets, asst. secretary.

Directors: John V. Roach*, chairman; William C. Conner, Lawrence E. Dempsey, William T. Smith, Alfred J. Stein, Jesse L. Upchurch*, John A. Wilson, Robert R. Lowdon*, G. R. Nugent*, Donald L. Bryant, Lewis F. Kornfeld, Jr*, Thomas G. Plaskett, William E. Tucker.

* Member of the Executive Committee

Business Activities: Operates over 7,000 com.-ny-owned and franchise Radio Shack stores and 287 Tandy Brand Name Retail stores, which retail consumer electronics products throughout the U.S. Also operates chains of electronic retailers under the names Scott McDuff, Santa, and VideoConcepts. Tandy also manufactures consumer electronics products.

Divisions and Subsidiaries:

Radio Shack Division
Radio Shack Consumer Retail Operation
Radio Shack-Business Products Division
Tandy Electronics
Tandy Computers
Tandy Brand Name Retail Group
Tandy Trading International
A&A Trading Company
Tandy Credit Corporation
Liza Corporation
Memtek Products
O'Sullivan Industries
Scott-McDuff Corporation
VideoConcepts

Transfer Agent(s):

First National Bank of Boston (common stock)
Boston, Massachusetts
Texas American Bank/Fort Worth N.A.
Fort Worth, Texas
(common stock & debentures)

Stock Exchange(s): New York

Ticker Symbol: TAN

Number of Stores:*

1987	7,318	1984	6,948
1986	7,385	1983	6,858
1985	7,088		

* Radio Shack and Tandy Brand Name Retail stores only.

Sales & Earnings

	Net Sales + (000's)	Net Income (000's)
1987	$ 3,452,178	$ 242,329
1986	3,035,969	197,659
1985	2,595,595	189,060
1984	2,490,473	281,871
1983	2,241,434	278,521

	No. of Com. Shares ‡	Earn. per Share ‡
1987	89,899,000	$ 2.70
1986	89,203,000	2.22
1985	89,490,000	2.11
1984	102,328,000	2.75
1983	104,335,000	2.67

+ Includes operating revenues; of continuing operations only.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	$ 1,380,039	$ 15.35
1986	1,306,458,000	14.65
1985	1,063,454,000	11.88
1984	988,696,000	9.66
1983	1,120,872,000	10.74

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account (000's)

Year ended June 30	1987	1986
Net sales & oper. rev.	$ 3,452,178	$ 3,035,969
Cost of sales	1,700,109	1,471,310
Expenses	1,205,600	1,077,707
Depreciation & amortization	62,591	55,388
Interest expense	25,087	44,550
Income before taxes	$ 458,791	$ 387,014
Income taxes	213,625	186,436
Eq. in loss of oper. to be spun off	2,837	2,919
Net Income	$ 242,329	$ 197,659

Assets (000's)

As of June 30	1987	1986
Cash & short-term invest.	$ 58,422	$ 273,634
Accts. & notes receiv., net	160,425	116,166
*Inventories	1,128,435	982,881
Other assets	41,554	46,681
Current Assets	$ 1,388,836	$ 1,419,362

#Fixed assets	337,154	301,722
Assets of oper. to be spun-off	—	195,765
Other assets	236,574	161,256
Total Assets	$ 1,962,564	$ 2,078,105

Liabilities (000's)

Notes payable	$ 31,304	$ 179,415
Subord. debentures called for redemp.	—	100,044
Accts. payable	112,789	96,309
Accruals	159,125	159,096
Receivable	(1,118)	(22,533)
Curr. Liabilities	$ 302,100	$ 512,331
Notes payable	168,194	163,995
Subord. deb.	26,414	25,941
Other liabilities	26,996	24,785
Deferred inc. taxes	58,821	44,595
+Common stock	95,645	95,645
Add. paid-in capital	102,305	87,645
Retained earnings	1,344,394	1,301,016
For. curr. trans.	4,130	(21,818)
Treasury stock	(166,435)	(156,030)
Total Liabilities & Shareholders' Equity	$ 1,962,564	$ 2,078,105

* At lower of cost (primarily average) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	13.29	12.75
%Net Income to Sales	7.02	6.51
%Net Income to Equity	17.56	15.13
Debt to Equity	0.14	0.26
Working Capital	$ 1,086,736,000	$ 907,031,000
Current Ratio	4.60	2.77
Shareholders' Equity	— $ 1,380,039,000	$ 1,306,458,000

Tandycrafts, Inc.

1400 Everman Parkway
Fort Worth, Texas 76140
(817) 551-9600

Officers: William H. Michero, chairman of the board; Kenneth L. Gregson, president and chief executive officer; Michael J. Walsh, v.p. & secretary; C. Gary Crow, vice president and treasurer.

Directors: William H. Michero, Kenneth L. Gregson, Robert Schutts, Roger A. Dickinson, Joe K. Pace, R. E. Cox, III, John A. Wilson.

Divisions:

Tandy Leather Company
Production and sales of materials, kits and equipment used in leathercrafts through 219 company-owned retail and mail order stores in the United States and Canada.

The Magee Company
Production and marketing of wood and metal frames and framed prints through major retail chains and independent merchants nationwide.

Subsidiaries:

Casual Concepts, Inc.
Retail sales of the 'Cargo' line of casual wood furniture through 70 company-owned stores.

Development Association, Inc.
Retail sale of Christian-oriented books, records and gifts through 15 Joshua Christian Stores.

Transfer Agent(s):

Texas American Bank Fort Worth, N.A.
Fort Worth, Texas

Stock Exchange(s): New York

Ticker Symbol: TAC

Number of Stores: (at fiscal year end)

1987	304	1984	321
1986	288	1983	321
1985	319		

Sales & Earnings x

	Net Sales +	Net Income
1987	$ 86,078,000	$ 875,000
1986	77,991,000	2,548,000
1985	74,530,000	2,409,000
1984	66,726,000	2,699,000
1983	61,112,000	2,727,000

	No. of Com. Shares #	Earn. per Share #
1987	2,385,000	$ 0.37
1986	2,402,000	1.06
1985	2,439,000	1.07
1984	2,473,000	1.09
1983	2,552,000	1.07

x Restated to include operations of Development Associations, Inc., acquired on a pooling of interests basis.
+ Of continuing operations only.
# Based on the weighted average number of common shares outstanding.

Common Stock Equity x

	Total Equity	Equity Per Share
1987	$ 40,795,000	$ 17.63
1986	41,000,000	17.26
1985	39,183,000	16.18
1984	36,632,000	15.12
1983	37,034,000	13.99

x Restated.

Income Account (000's)

Year ended June 30	1987	1986 ‡
Net sales	$ 86,078	$ 77,991
Cost of sales	45,947	43,715
Expenses	36,867	29,420
Depreciation & amortization	1,711	1,396
Interest expense	362	—
Interest income	(368)	(930)
Income before taxes	$ 1,559	$ 4,390
Income taxes	684	1,842
Net Income	$ 875	$ 2,548

Assets (000's)

As of June 30	1987	1986 ‡
Cash	$ 1,349	$ 1,150
Market securities	3,719	10,616
Accts. receiv., net	5,038	4,624
*Inventories	21,476	19,364
Other current assets	1,337	997
Current Assets	$ 32,919	$ 36,751
#Fixed assets	18,675	7,250
Other assets	540	475
Intangibles	2,397	2,404
Total Assets	$ 54,531	$ 46,880

Liabilities (000's)

Trade accr., payable	$ 1,000	$ —
Accts. payable & accruals	5,047	3,540
Accrued payroll	2,468	1,545
Income taxes	221	795
Curr. Liabilities	$ 8,736	$ 5,880
Note payable	5,000	—
+Common stock	4,632	4,632
Add. paid-in capital	19,405	18,990
Retained earnings	45,547	44,672
Treasury stock	(28,789)	(27,294)
Total Liabilities & Shareholders' Equity	$ 54,531	$ 46,880

‡ Restated.
* At lower of cost (average) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	1.81	5.63
%Net Income to Sales	1.02	3.27
%Net Income to Equity	2.14	6.21
Sales to Inventories	4.01	4.03
Debt to Equity	0.15	—
Working Capital	$ 24,183,000	$ 30,871,000
Current Ratio	3.77	6.25
Shareholders' Equity	$ 40,795,000	$ 41,000,000

THORN EMI plc

4 Tenterden Street
Hanover Square
London W1R 9AH England
01-836 2444

Directors: Sir Graham Wilkins, chairman; Harold Mourgue, vice chairman; Colin Southgate, managing director & chief executive; Sir William Barlow, non-executive; David Barnes, non-executive; James Maxmin, chairman & chief executive-Home Electronics; Tom Mayer, chief executive-Technology Group; Robert Nellist, finance director; Sir Ian Trethowan, non-executive; Bhaskar Menon, chairman & chief executive-EMI Music Worldwide.

Corporate Management: R. Charlton, company secretary; I.D. Christians, strategic development; R.W. Gray, technical; R.P. Hayes, corp. communications; P.I. Hayman corp. projects; D.R.W. Young, personnel & organization development; D.A. MacKechnie, financial analysis; D.T. Smith, treasury & tax; T.S. Taylor, group accounting; B.T. Burford, purchasing; G.J. Cant, estates; K.W. Flack, insurance; R.A.A. Hurst, legal & patents; D.J. Webb, asst. secretary; C.N.E. Woodley, public affairs; Charlotte Chambers, management development & training; M.H. Levett, personnel-Lighting & Kenwood; G.G. Roberts, dir.-research.

Business Activities: The Company's operations are divided into five areas: Rental and Retail, Technology, Music, Lighting, and Kenwood.

Rental and Retail, activities include the operation of Radio Rentals, Le Set, and DER, all consumer electronics rental chains doing business in the U.K.; THORN EMI TV and Video Centres operates Multi-broadcast and Focus rental/retail consumer electronics stores in the U.K.; the Company also operates Rumbelows, a consumer electronics and appliance retail chain doing business in the U.K. under the Rumbelows and Hometech names; Overseas operations include THORN EMI International Rentals (which operates consumer electronics rental stores in 13 countries); PONA electronic retail stores and HMV music retailing outlets; which operate primarily in the U.K. and Denmark.

The Company's Technology Group focuses on five major high-technology markets: defense electronics, software, security, telecommunications, and semiconductors. Principal products include radar integration systems, advanced ticket issuing systems, hand-held thermal imagers, manportable surveillance and target-acquisition radar, data distribution systems for naval vessels, mortar locating radar, electronic countermeasures systems, aircraft early warning radar, aircraft engine fire detection systems, fuzes for air-launched missiles, artillery shells, klystron tubes for earth

resource satellites, low light level sensing devices, fire and security protection equipment, information technology systems for the military, electronic retail point-of-sale terminals, railway, power conversion and industrial drive controls, fare collection equipment for railways, decision support and management software, computer maintenance services, digital public telephone exchanges, high-capacity optical fiber data package switches and computer-controlled business telephone systems, private automatic branch exchanges, measurement instruments, transputer products used in a wide range of applications including robotics, computer graphics, artificial intelligence and digital signal processing, and high-performance static Random Access Memories (RAMs).

Music operations include the production of recorded music, music publishing, music videos, the supply of duplicator magnetic tape and acetate discs to the international record industry, and the manufacture of compact discs.

Lighting products include high-pressure sodium lamps and fittings, incandescent and fluorescent lamps, miniature low-voltage tungsten halogen products for display markets, among others.

The Kenwood segment manufactures and distributes a wide range of small kitchen appliances.

Divisions and Subsidiaries:

Rental and Retail

Thorn EMI Home Electronics (UK) Ltd.
Thorn EMI High Street Electronics
Thorn EMI TV and Video Centres
Multi-broadcast
Focus
DER
Le Set
Radio Rentals
Rumbelows
Hometech
Thorn EMI International Rentals
FONA
HMV Shops

Technology

Thorn EMI Technology Ltd.

Thorn EMI Electronics Ltd.
Computer Systems Division
Defence Systems Division
Electro Optic Division
Radar Division
Systron Donner
Thorn EMI Varian
Sensors and Security Systems Division
Thorn EMI Datatech
Nuclear Enterprises
Thorn EMI Malco
Thorn EMI Micrologic
Dataselve
Datashield
Thorn EMI Computer Software
Thorn Ericsson Telecommunications (Holdings) Ltd. (51%-owned)
INMOS International plc

Music

EMI Music Worldwide
Capitol Industries - EMI Inc. (U.S.A.)
EMI Records Ltd.

Consumer And Commercial

Thorn Lighting Ltd.

Thorn EMI Appliances Ltd.
Kenwood

International

Thorn EMI (Australia) Ltd. (75%-owned)

Associate Companies:

Thames Television PLC (28.75% interest)
England

Toshiba-EMI Ltd. (50% interest)
Japan

J2T Holdings B.V. (33.33% interest)
The Netherlands

J2T Video (Berlin) GmbH (33.33% interest)
West Germany

Registrars:

National Westminster Bank PLC
Registrar's Dept.
37 Broad Street
Bristol BS99 7NH England

Stock Exchange(s): London

Number of Stores:*

1987 ..... N.A. 1986 1500

* Includes retail and/or rental outlets.
N.A. - Not Available.

Sales & Earnings

	Net Sales	Net Income †
1987	£3,185,000,000	£ 99,600,000
1986	3,316,500,000	61,400,000
1985	3,204,400,000	65,200,000
1984	2,820,900,000	88,000,000
1983	2,715,900,000	66,300,000

	No. of Com. Shares	Earn. per Share †
1987	217,666,115	43.9p
1986	215,431,869	26.5
1985	N.A.	29.9
1984	N.A.	46.9
1983	N.A.	34.7

N.A. - Not Available
£ - pound sterling
† Before extraordinary items.
† Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	18.5p	—	—
1986	17.5	—	—
1985	17.5	—	—
1984	17.5	—	—
1983	15.75	—	—

Common Stock Equity

	Total Equity †	Equity Per Share
1987	£ 566,100,000	£ 2.60
1986	516,700,000	2.40

† After allowing for preferred stock at stated value.

Income Account *
(000's)

Year ended Mar. 31	1987	1986
Net Sales	£ 3,185,000	£ 3,316,500
Cost of sales	2,728,400	2,864,500
Distribution costs	116,100	109,300
Adm. expenses	234,800	226,500
Oper. income	(67,600)	(24,000)
Share of profits of rel. cos.	(18,500)	(13,800)
Finance charges	32,300	49,300
Income before taxes	£ 159,900	£ 104,700
Income taxes	57,000	39,100
Minority interests	2,900	4,200
Net income	£ 99,600	£ 61,400
Extraord. loss	(24,700)	(61,000)
Net income & extraord. gain	£ 74,900	£ 400

* Included in Costs and Expenses, Depreciation and Amortization: £ 212,000,000 in 1987 and £ 253,800,000 in 1986.

Assets
(000's)

As of Mar. 31	1987	1986
Cash	£ 54,600	£ 62,000
Investments	9,200	6,100
Accts. receiv., net	634,800	659,600
*Inventories	397,600	447,100
Current Assets	£ 1,086,200	£ 1,174,800
Investments	57,600	65,100
Net assets of fin. subsid.	10,600	6,600
#Fixed assets	815,800	796,100
Total Assets	£ 1,970,200	£ 2,042,600

Liabilities
(000's)

Long-term debt, curr.	£ 154,700	£ 177,800
Accts. payable	315,500	319,100
Other payables	84,800	41,400
Customer deposits	71,600	69,100
Royalties & fees payable	109,500	92,300
Amts. owed to rel. cos.	10,100	4,500
Accruals	86,400	182,400
Income taxes	57,100	56,500
Other taxes	54,100	53,900
Dividends	30,600	27,900
Curr. Liabilities	£ 974,400	£ 1,024,900
Long-term debt	148,800	227,600
Other payables	24,100	21,400
Minority interest	28,300	23,100
Deferred inc. taxes	24,500	25,700
Other liabilities	140,000	139,100
+7% preferred stock	63,500	63,600
++3.5% preferred stock	500	500
+++Common stock	54,400	53,900
Add. paid-in capital	282,200	275,200
Other reserves	10,400	—
Profit and loss acct.	195,000	165,500
Rel. cos. reserves	24,100	22,100
Total Liabilities & Shareholders' Equity	£ 1,970,200	£ 2,042,600

* At lower of cost or net realizable value.
# Less accumulated depreciation.
+ £ 1 par value; 7% convertible, redeemable, cumulative.
++ £ 1 par value; 3.5% cumulative.
+++ 25p par value.

Statistical Summary

%Income bef. Taxes to Sales	5.01	3.16
%Net Income to Sales	3.13	1.85
%Net Income to Equity	15.81	10.57
Sales to Inventories	8.01	7.42
Debt to Equity	0.48	0.70
Working Capital	£ 111,800,000	£ 149,900,000
Current Ratio	1.11	1.15
Shareholder's Equity	£ 630,100,000	£ 580,800,000

Three D Departments, Inc.

18012 Mitchell South
Irvine, California 92714
(714) 261-1042

Mailing Address:
P.O. Box 19773
Irvine, California 92714

Officers: Bernard Abrams, chairman & chief executive officer; Donald L. Abrams, president; John B. Abrahms, sr., v.p. and asst. treasurer; David Kotkin, secretary; Roberet Shutsky, v.p.-administration & finance; Abe Markowicz, v.p.-merchandising; Ronald Dow, controller; Abe Markowicz, v.p.-merchandising; Ira Durlester, v.p.-operations..

Directors: Bernard Abrams*, John B. Abrahms*, David Kotkin*, Abe Markowicz, Donald L. Abrams, Henry W. Nozko, Jr., Gerson K. Bernstein.

* Member of the Executive Committee

Business Activities: The Company is engaged in the operation of seven leased domestics departments in discount department stores, and 25 specialty stores, which sell curtains and draperies, linens, towels, rugs, bedspreads, sheets and drapery hardware. The specialty stores operate under the name "Three D Bed & Bath," and are located in the Northeast and in California.

Transfer Agent(s):

Manufacturers Hanover Trust Co.
New York, New York

Stock Exchange(s): American

Ticker Symbol: TDD-A and TDD-B

Number of Outlets: (at fiscal year end)

1987	32	1984	90
1986	64	1983	78
1985	107		

Sales & Earnings

	Net Sales ‡	Net Income
1987	$ 34,890,005	$ 728,401
1986	44,635,806	851,061
1985*	59,559,198	928,590
1984	51,796,620	1,419,011
1983	50,724,198	2,004,702

	No. of Com. Shares †	Earn. per Share +
1987	3,194,956	$ 0.22
1986	3,304,556	0.26
1985*	3,303,806	0.27
1984	3,434,530	0.41
1983	3,427,782	0.59

* 53 weeks.
‡ Of continuing operations only.
† Adjusted to reflect stock splits.
+ Based on the average number of shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend+	Stock Dividend	Stock Split
1987	$ 0.16	—	—
1986	0.16	—	—
1985	0.16	—	—
1984	0.16	—	2-for-1
1983	0.16	—	3-for-2

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	$ 14,593,338	$ 4.57
1986	14,532,879	4.40
1985	13,947,591	4.22
1984	13,845,295	4.03
1983	12,688,506	3.70

‡ Adjusted to reflect stock splits.

Income Account *

Year ended	8/1/87	8/2/86
Net sales	$ 34,890,005	$ 44,635,806
Cost of sales	20,089,412	26,526,894
Expenses	13,243,535	16,189,487
Interest expense	83,157	250,264
Income before taxes	$ 1,473,901	$ 1,669,161
Income taxes	745,500	818,100
Net income	$ 728,401	$ 851,061

* Included in Costs and Expenses, Depreciation and Amortization: $713,467 in 1987 and $830,353 in 1986.

Assets

As of	8/1/87	8/2/86
Cash	$ 841,236	$ 943,221
Short-term investments	3,799,954	1,800,000
Accts. receiv., net	369,870	682,632
*Inventories	9,283,768	10,655,121
Prepaid expenses	342,778	553,398
Current Assets	$ 14,637,606	$ 14,634,372
#Fixed assets	3,003,730	3,172,225
Deferred costs of leases	333,217	402,009
Other assets	897,854	649,169
Total Assets	$ 18,872,407	$ 18,857,775

Liabilities

Accts. payable	$ 2,951,167	$ 3,202,429
Accruals	632,861	539,278
Income taxes	145,200	55,599
Curr. Liabilities	$ 3,729,228	$ 3,797,306
Deferred compensation	200,000	200,000
Def. inc. taxes	349,841	327,590
+Common stock:		
Class A	402,977	427,520
Class B	395,762	398,619
Add. paid-in capital	1,187,355	1,227,907
Retained earnings	12,607,244	12,478,833
Total Liabilities & Shareholders' Equity	$ 18,872,407	$ 18,857,775

* At lower of average cost (principally on the retail method) or market.
# Less accumulated depreciation and amortization.
+ 0.25 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.22	3.74
%Net Income to Sales	2.09	1.91
%Net Income to Equity	4.99	5.86
Sales to Inventories	3.76	4.19
Working Capital	$ 10,908,378	$ 10,837,066
Current Ratio	3.93	3.85
Shareholders' Equity	$ 14,593,338	$ 14,532,879

Tiffany & Co.

727 Fifth Avenue
New York, New York 10022
(212) 755-8000

Officers: William R. Chaney, chairman & chief exec. officer; Thomas A. Andruskevich, sr. v.p.-finance & chief financial officer; Patrick Duchamp, sr. v.p.-int'l; John R. Loring, sr. v.p.-design; Brian Ohl, sr. v.p.-retail sales; Barry K. Dodson, group v.p.-corporate; Patrick B. Dorsey, group v.p., gen. counsel & secretary; Michael Kowalski, group v.p.-merchandising; Suzanne McMillan, group v.p.-marketing; Peter C. Schneirla, group v.p.-merchandising; Dale S. Strohl, group v.p.-operations; Larry M. Segall, v.p. & controller; Robert J. Warren, v.p. & treasurer.

Directors: William R. Chaney, chairman; Samuel L. Hayes, III, Charles K. Marquis, William A. Shutzer, Jane Dudley, Geraldine Stutz.

Business Activities: Parent company of Tiffany and Company, which retails, designs, manufac[illegible]s and distributes fine jewelry, timepieces, sterling silver[illegible] china, crystal, stationery, leather goods and scarves. [illegible]fany sells these products through its eight retail stores [illegible]ed in selected major cities across the U.S., and throu[illegible]elected independent retailers and direct marketing ca[illegible]gs.

Subsidiary:

Tiffany and Company

Joint Ventures

Tiffany & Co. Limited
London, England
Operates a Tiffany's store in London.

Tiffany Munich
Munich, West Germany
Operates a Tiffany's store in Munich.

Transfer Agent(s):

Manufacturers Hanover Trust Company
P.O. Box 24935
Church Street Station
New York, New York 10249

Stock Exchange(s): New York

Ticker Symbol: TIF NOTE: Prior to Oct. 1, 1984, Tiffany and Company (The Predecessor) operated as a wholly-owned subsidiary of Avon Products, Inc. Effective Oct. 1, 1984, Tiffany & Co. (The Company) acquired all of the outstanding shares of the Predecessor (the acquisition).

Number of Stores: (at fiscal year end)

1986	8	1987	8

Sales & Earnings

	Net Sales	Net Income ‡
1/31/88†	230,488,000	$ 16,176,000
1/31/87†	182,527,000	7,390,000
6/30/86†	154,258,000	1,630,000
6/30/85+†	111,453,000	(4,832,000)
9/30/84#x	70,945,000	(5,713,000)

	No. of Com. Shares*	Earn. per Share ‡ *
1/31/88†	9,533,000	$ 1.70
1/31/87†	8,078,000	0.92
6/30/86†	6,725,000	0.25
6/30/85+†	7,508,000	—

(Loss)
+ 9 months.
# 8 months.
† Post acquisition.
x Pre acquisition.
‡ Including extraordinary gains of $608,000 ($0.08 per share) in 1987, $438,000 ($0.07 per share) in 1986 and extraordinary loss of $644,000 ($0.06 per share) in 1988.
* Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1/31/88	—	—	—
1/31/87	—	—	—
6/30/86	—	—	—
6/30/85	—	—	8-for-1 ‡

‡ Effective Mar. 20, 1987.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1/31/88†	$ 71,621,000	$ 7.51
1/31/87†	12,862,000	1.59
6/30/86†	4,319,000	0.64
6/30/85†	2,702,000	0.36
9/30/84x	48,461,000	—

† Post acquisition.
x Pre acquisition.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *
(000's)

Year ended Jan. 31	1988	1987
Net sales	$ 230,488	$ 182,527
Cost of sales	118,348	96,124
Expenses	77,003	62,996
Prov. for uncollectible accts.	1,446	1,490
Interest expense	2,174	8,921
Other income	(323)	(228)
Income before taxes	$ 31,194	$ 12,768
Income taxes	14,374	5,986
Net income	$ 16,820	$ 6,782
Extraord. items	(644)	608
Net income & extraord. item	$ 16,176	$ 7,390

* Included in Costs and Expenses, Depreciation and Amortization: $1,118,000 in 1988 and $1,412,000 in 1987.

Assets
(000's)

As of Jan. 31	1988	1987
Cash	$ 12,861	$ 1,894
Accts. receiv., net	25,710	21,167
*Inventories	70,778	58,016
Prepaid expenses	4,589	4,413
Current Assets	$ 113,938	$ 85,490
#Fixed assets	12,086	11,209
Other assets	645	2,032
Total Assets	$ 126,669	$ 98,731

Liabilities
(000's)

Accts. payable & accruals	$ 31,977	$ 23,975
Income taxes	9,913	—
Customer credits	5,276	5,007
Curr. Liabilities	$ 47,166	$ 28,982
Revolving credit loan	—	34,568
Subord. notes	—	15,000
Deferred inc. taxes	6,075	5,378
Other liabilities	1,807	1,941
+Common stock	86	60
Add. paid-in capital	50,096	7,539
Retained earnings	21,530	5,354
Treasury stock	(91)	(91)
Total Liabilities & Shareholders' Equity	$ 126,669	$ 98,731

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	13.53	7.00
%Net Income to Sales	7.30	3.72
%Net Income to Equity	23.48	52.73
Sales to Inventories	3.26	3.15
Debt to Equity	—	2.69
Working Capital	$ 66,772,000	$ 56,508,000
Current Ratio	2.42	2.95
Shareholders' Equity	$ 71,621,000	$ 12,862,000

Tons of Toys, Inc.

Wareham Industrial Park
11 Kendrick Road
Wareham, Massachusetts 02571
(617) 295-2003

Officers: Bruno R. Ferretti, chairman, president & secretary; David Scott, chief financial officer & treasurer; John J. Collins, sr. v.p.; Raymond A. Ferretti, v.p.-merchandising; Scott R. LaFond, v.p.-human resources; Carl Lamoureux, v.p.-distribution.

Directors: Bruno R. Ferretti, chairman; David Scott, James M. Hyman, Edward T. McPhee, Jr., Donald W. Lafler.

Business Activities: Operates a chain of 15 retail toy supermarkets in Maine, Massachusetts, New Hampshire, and Rhode Island under the name Tons of Toys.

Transfer Agent(s):

Bank of Boston
P.O. Box 2016
Boston, Massachusetts 02106

Stock Exchange(s): Over-the-Counter

Ticker Symbol: TONS (NASDAQ)

Number of Stores: (at fiscal year end)

1988	12	1985	3
1987	6	1984	2
1986	4		

Sales & Earnings

	Net Sales	Net Income †
1988*	$ 10,373,020	$ 377,778
1987	6,852,376	(286,341)
1986	4,560,868	(418,677)
1985	4,332,718	(16,149)
1984	2,722,828	41,566

	No. of Com. Shares ‡	Earn. per Share ‡
1988*	2,370,000	$ 0.16
1987	1,159,000	—
1986	1,070,000	—
1985	1,070,000	—
1984	1,070,000	0.04

(Loss)
* 8 months.
† Including extraordinary gain of $131,000 ($0.06 per share) in 1988.
‡ Based on the weighted average number of common shares and common share eqcivalents outstanding adjusted to reflect recapitalization.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	$ 4,066,971	$ 1.72
1987	3,689,193	3.18
1986	(326,776)	—
1985	91,901	0.09
1984	108,050	0.10

(Deficiency)
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect recapitalization.

Income Account *

Year ended	1/30/88 (8 months)	5/31/87
Net sales	$ 10,373,020	$ 6,852,376
Cost of sales	6,750,849	4,621,558
Occupancy expenses	2,404,301	1,806,834
Adm. & gen. expenses	823,672	591,632
Interest expense (income)	(24,580)	118,693
Income (loss) bef. taxes	$ 418,778	$ (286,341)
Income taxes	172,000	—
Net Income (Loss)	$ 246,778	$ (286,341)
Extraord. gain	131,000	—
Net Income (Loss) & extraord. gain	$ 377,778	$ (286,341)

Assets

As of	1/30/88	5/31/87
Cash	$ 370,587	$ 131,057
Investments	—	2,180,070
*Inventories	4,920,679	3,139,403
Accts. receivable	9,400	45,970
Deferred costs	91,096	—
Prepaid expenses	164,000	117,249
Current Assets	$ 5,555,762	$ 5,613,749
#Fixed assets	1,385,041	485,612
Total Assets	$ 6,940,803	$ 6,099,361

Liabilities

Long-term debt, curr.	$ 309,134	$ 106,220
Accts. payable	1,587,864	1,689,314
Accruals	251,563	226,564
State taxes payable	42,750	11,000
Curr. Liabilities	$ 2,191,511	$ 2,033,098
Long-term debt	682,321	377,070
+Common stock	23,700	23,700
Add. paid-in capital	4,282,610	4,282,610
Retained earnings (deficit)	(239,339)	(617,117)
Total Liabilities & Shareholders' Equity	$ 6,940,803	$ 6,099,361

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.04	—
%Net Income to Sales	2.38	—
%Net Income to Equity	6.07	—
Sales to Inventories	2.11	2.18
Debt to Equity	0.24	0.13
Working Capital	$ 3,364,251	$ 3,580,651
Current Ratio	2.54	2.76
Shareholders' Equity (Deficiency)	$ 4,066,971	$ 3,689,193

Toys "R" Us, Inc.

395 West Passaic Street
Rochelle Park, New Jersey 07662
(201) 845-5033

Officers: Charles Lazarus, chairman of the board & chief exec. officer; Norman Ricken, pres. & chief operating officer; Howard W. Moore, exec. v.p.-gen. merchandise mgr.; Michael Goldstein, exec. v.p.-finance & administration; Van H. Butler, sr. v.p.-marketing & divisional merchandise mgr.; Ronald Tuchman, sr. v.p.-divisional merchandise manager; Dennis Healey, v.p.-management information systems; Robert J. Weinberg, sr. v.p. & divisional merchandise mgr.; Donald L. Margolis, v.p.-controller; Michael P. Miller, sr. v.p.-real estate; Bruce C. Hall, sr. v.p.-store merchandising & support services; Stephen W. Austin, v.p.-real estate; Michael L. Tumolo, v.p.-real estate counsel; Robert C. Nakasone, pres.-Toys "R" Us-International; Michael M. Searles, pres.-Kids "R" Us; Lester Yasuky, secretary, attorney-at-law; Louis Lipschitz, v.p.-treasurer; Eric Swartwood, v.p.-architecture & construction; Lorelei J. Yudice, v.p. & general merchandise manager-Kids "R" Us; Philip Bloom, v.p. & general merchandise manager-Toys "R" Us Int'l..

Directors: Charles Lazarus, chairman of the board; Albert E. Christie, Milton S. Gould, Norman Ricken, Norman M. Schneider, Harold M. Wit, Moses Shapiro, Robert A. Bernhard, Howard W. Moore.

Business Activities: Operates 350 toy stores under the name "Toys 'R' Us", 86 "Kids 'R' Us" children's clothing stores, and 4 conventional department stores called "Boston Stores" and "The Fair", which sell a wide range of merchandise. "Toys 'R' Us" stores are located in 33 states, Canada, the United Kingdom, West Germany, Hong Kong and Singapore; "Kids 'R' Us" stores are located in 16 states,

primarily in the Northeast and Midwest; the two "Boston Stores" are located in New York, and the two "The Fair" stores are in Flint, Michigan.

Subsidiaries:

Toys "R" Us (U.K.) Ltd.
Toys "R" Us (Canada) Ltd.
Toys "R" Us-Metro (Singapore) Ltd.
Toys "R" Us (West Germany) GmbH
Toys "R" Us-Lifung (Hong Kong)

Transfer Agent(s):

The First Jersey National Bank
One Exchange Place
Jersey City, New Jersey 07302

Stock Exchange(s): New York

Ticker Symbol: TOY

Number of Stores: (at fiscal year end)

1988	428	1985	217
1987	342	1984	175
1986	273		

Sales & Earnings

	Net Sales +	Net Income
1988	$ 3,136,568,000	$ 203,922,000
1987	2,444,903,000	152,217,000
1986	1,976,134,000	119,774,000
1985*	1,701,700,000	111,424,000
1984	1,319,642,000	92,317,000

	No. of Com. Shares ‡	Earn. per Share ‡
1988	130,530,467	$ 1.56
1987	127,110,608	1.17
1986	126,080,874	0.93
1985*	124,730,886	0.87
1984	128,092,500	0.72

* 53 weeks.
+ Including leased depts.
‡ Based on the weighted average number of common shares and common share equivalents adjusted to reflect reduction in the number of shares deemed outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	—	—	—
1987	—	—	3-for-2
1986	—	—	—
1985	—	—	3-for-2
1984	—	—	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	$ 1,135,321,000	$ 8.70
1987	901,041,000	7.09
1986	717,394,000	5.69
1985	579,113,000	4.64
1984	459,723,000	3.59

‡ Based on the weighted average number of common shares and common share equivalents adjusted to reflect reduction in the number of shares deemed outstanding adjusted to refelct stock splits.

Income Account
(000's)

Year ended	1/31/88	2/1/87
Net sales	$ 3,136,568	$ 2,444,903
Cost of sales	2,157,017	1,668,209
Expenses	584,120	458,528
Depreciation & amortization	43,716	33,288
Interest expense	13,849	7,890
Interest income	(8,056)	(7,229)
Income before taxes	$ 345,922	$ 284,217
Income taxes	142,000	132,000
Net Income	$ 203,922	$ 152,217

Assets
(000's)

As of	1/31/88	2/1/87
Cash	$ 45,996	$ 84,379
Accts. receiv., net	62,144	37,502
*Inventories	772,833	528,939
Prepaid expenses	5,050	3,566
Current Assets	$ 886,023	$ 654,386
#Fixed assets	1,113,119	840,965
Prop. under cap. leases	11,397	12,440
Other assets	16,520	15,175
Total Assets	$ 2,027,059	$ 1,522,966

Liabilities
(000's)

Short-term notes	$ 17,657	$ —
Long-term debt, curr.	876	973
Cap. lease oblig., curr.	1,071	968
Accts. payable	403,105	305,705
Accruals	167,280	118,260
Inc. taxes pay.	71,003	73,059
Curr. Liabilities	$ 660,992	$ 498,965
Long-term debt	159,788	63,966
Cap. lease oblig.	17,602	18,673
Deferred inc. taxes	53,356	40,321
+ Common stock	13,053	12,711
Add. paid-in capital	252,493	239,721
Retained earnings	854,421	650,499
For. curr. trans. adjust.	23,586	8,449
Treasury stock	(5,929)	(5,571)
Receiv. from stock options	(2,303)	(4,768)
Total Liabilities & Shareholders' Equity	$ 2,027,059	$ 1,522,966

* At lower of cost or market. Toy Stores merchandise is valued at LIFO while dept. store inventories are valued at FIFO.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	11.03	11.62
%Net Income to Sales	6.50	6.23
%Net Income to Equity	17.96	16.89
Sales to Inventories	4.06	4.62
Debt to Equity	0.17	0.09
Working Capital	$ 225,031,000	$ 155,421,000
Current Ratio	1.34	1.31
Shareholders' Equity	$ 1,135,321,000	$ 901,047,000

Trak Auto Corporation

3300 75th Avenue
Landover, Maryland 20785
(301) 731-1200

(a majority-owned subsidiary of Dart Group Corporation)

Officers: Herbert H. Haft, chairman & chief exec. officer; Robert M. Haft, president; Thomas V. Reilly, exec. v.p.; Ben S. Kovalsky, v.p. & president of Trak Corporation; Gloria G. Haft, v.p.; Arthur D. Clark, v.p.; Richard J. Koll, treasurer & chief financial officer.

Directors: Herbert H. Haft, chairman of the board; Robert M. Haft, Ben S. Kovalsky, Gloria G. Haft, Warren E. Tydings, James G. Leonard, Claudine B. Malone.

Business Activities: Engaged in the retail sale of quality brand name automobile parts and accessories for the do-it-yourself market through 251 discount specialty stores in the Washington, D.C., Richmond, Virginia, Baltimore, Maryland, Los Angeles, California, and Chicago, Illinois, areas.

Subsidiary:

Trak Corporation

Transfer Agent(s):

Riggs National Bank
Washington, Washington D.C.

Stock Exchange(s): Over-the-Counter

Ticker Symbol: TRKA (NASDAQ)

Number of Stores: (at fiscal year end)*

1987	251	1984	56
1986	217	1983	46
1985	93		

* Excludes previous joint venture with Thrifty Corporation.

Sales & Earnings

	Net Sales	Net Income
1988	$ 212,166,000	$ 4,653,000
1987	183,667,000	1,270,000
1986	97,833,000	797,000
1985	73,834,000	3,223,000
1984	58,610,000	4,610,000

	No. of Com. Shares ‡	Earn. per Share ‡
1988	6,002,000	$ 0.78
1987	6,008,000	0.21
1986	5,998,000	0.13
1985	5,997,000	0.54
1984	5,523,000	0.83

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	$ 59,061,000	$ 9.84
1987	55,304,000	9.21
1986	54,026,000	9.01
1985	53,229,000	8.88
1984	50,006,000	9.05

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account

Year ended Jan. 31	1988	1987
Net sales	$ 212,166,000	$ 183,667,000
Other income	1,557,000	1,889,000
Total income	$ 213,723,000	$ 185,556,000

Trak Auto Corporation

Cost of sales	167,500,000	148,518,000
Expenses	33,253,000	29,539,000
Depreciation & amortization	2,222,000	2,472,000
Interest expense	2,416,000	3,698,000
Income before taxes	$ 8,332,000	$ 1,329,000
Income taxes	3,679,000	578,000
Minority interest	—	(519,000)
Net Income	$ 4,653,000	1,270,000

Assets

As of Jan. 31	1988	1987
Cash	$ 8,089,000	$ 9,601,000
Short-term invest.	16,091,000	9,864,000
Accts. receiv., net	5,119,000	2,351,000
Due from affil.	66,000	—
*Inventories	70,251,000	58,948,000
Prepaid inc. taxes	—	946,000
Other curr. assets	726,000	507,000
Current Assets	$ 100,342,000	$ 82,217,000
#Fixed assets	21,866,000	22,773,000
Deferred taxes	1,100,000	540,000
Other assets	—	1,742,000
Other assets	38,000	—
Total Assets	$ 123,346,000	$ 107,272,000

Liabilities

Cap. lease oblig., curr.	$ 838,000	$ 761,000
Accts. payable	40,854,000	28,935,000
Accrued payroll	2,049,000	1,431,000
Income taxes	3,276,000	2,601,000
Other taxes	1,458,000	2,115,000
Due to affil.	—	152,000
Due to affiliate	311,000	—
Curr. Liabilities	$ 48,786,000	$ 35,995,000
Cap. lease oblig.	15,499,000	15,973,000
+Common stock	60,000	60,000
Add. paid-in capital	41,289,000	41,289,000
Retained earnings	18,608,000	13,955,000
Treasury stock	(896,000)	—
Total Liabilities & Shareholders' Equity	$ 123,346,000	$ 107,272,000

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	3.93	0.72
%Net Income to Sales	2.19	1.72
%Net Income to Equity	7.88	2.30
Sales to Inventories	3.02	3.12
Debt to Equity	0.28	0.30
Working Capital	$ 51,556,000	$ 46,222,000
Current Ratio	2.28	2.06
Shareholders' Equity	$ 55,304,000	$ 59,061,000

Tuesday Morning, Inc.

14621 Inwood Road
Dallas, Texas 75244
(214) 387-3562

Officers: Lloyd L. Ross, chairman of the board & chief executive officer; Michael A. Moffitt, president & chief operating officer; Edward J. Lysen, v.p.-finance, secretary & treasurer; Jack A. Phelps, v.p. & dir.-stores; Marshall Cooper, v.p.-distribution; Jerry M. Smith, v.p.-advertising & public relations.

Directors: Lloyd L. Ross, chairman; Michael A. Moffitt, Edward J. Lysen, Sheldon Frankel, Richard J. Sill.

Areas of Work: Operates 85 deep discount retail stores in 17 states, principally in the South, under the name Tuesday Morning. These stores are open only for four sales events each year, each sales event lasting four to eight weeks. Love That Store, Inc., a wholly owned subsidiary, operates a chain of 12 stores in the Dallas metropolitan area specializing in the sale of household merchandise, under the name Love That Store.

Subsidiary:

Love That Store, Inc.

Transfer Agent(s):

First RepublicBank Dallas
Corporate Trust Department
P.O. Box 2964
Dallas, Texas 75221

Stock Exchange(s): Over-the-Counter

Ticker Symbol: TUES (NASDAQ)

Number of Stores:*

1987	85	1985	63
1986	71		

* Tuesday Morning stores only.

Sales & Earnings

	Net Sales	Net Income
1987	$ 72,867,000	$ 4,017,000
1986	62,204,000	3,612,000
1985	52,830,000	2,502,000
1984	41,300,000	(357,000)
1983	37,310,000	2,553,000

	No. of Com. Shares ‡	Earn. per Share ‡
1987	3,968,000	$ 1.01
1986	3,735,000	0.97
1985	2,740,000	0.91
1984	2,740,000	—
1983	2,740,000	0.93

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	—	—	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	$ 25,620,000	$ 6.46
1986	21,594,000	5.78
1985	8,424,000	3.07
1984	5,922,000	2.16
1983	6,278,000	2.29

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *

Year ended Dec. 31	1987	1986
Net sales	$ 72,867,412	$ 62,203,582
Cost of sales	42,902,408	35,887,857
Expenses	23,247,068	19,363,456
Interest expense	356,898	430,914
Interest income	(310,560)	(251,527)
Other expense (income)	(8,337)	105,125
Income before taxes	$ 6,679,935	$ 6,667,757
Income taxes	2,662,715	$ 3,055,954
Net Income	$ 4,017,220	$ 3,611,803

* Included in Costs and Expenses, Depreciation and Amortization: $929,073 in 1987 and $822,407 in 1986.

Assets

As of Dec. 31	1987	1986
Cash	$ 11,907,524	$ 13,188,587
*Inventories	12,486,259	9,502,056
Prepaid expenses	542,514	413,804
Other curr. assets	854,743	121,014
Current Assets	$ 25,791,040	$ 23,225,461
#Fixed assets	12,571,926	8,103,383
Receivable from officer	121,104	151,380
Other assets	329,335	290,922
Total Assets	$ 38,813,405	$ 31,771,146

Liabilities

Long-term debt, curr.	$ 657,868	$ 447,156
Accts. payable	1,990,161	3,042,996
Accrued adv. exp.	—	379,839
Accrued taxes	790,366	590,494
Other accruals	601,759	408,580
Income taxes	353,079	345,256
Curr. Liabilities	$ 4,393,233	$ 5,214,321
Long-term debt	7,930,197	4,444,786
Deferred inc. taxes	870,260	517,711
+Common stock	38,759	25,823
Add paid-in capital	9,568,009	9,359,864
Retained earnings	16,012,947	12,008,641
Total Liabilites & Shareholders' Equity	$ 38,813,405	$ 31,771,146

* At lower of average cost or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	9.17	10.72
%Net Income to Sales	5.51	5.81
%Net Income to Equity	15.68	16.73
Sales to Inventories	5.84	6.55
Debt to Equity	0.34	0.23
Working Capital	$ 21,397,807	$ 18,011,140
Current Ratio	5.87	4.45
Shareholders' Equity	$ 25,619,715	$ 21,594,328

The United States Shoe Corporation

One Eastwood Drive
Cincinnati, Ohio 45227
(513) 527-7000

Officers: Philip G. Barach, chairman of the board, president & chief executive officer; Howard Platt, exec. v.p. & president-footwear wholesaling & retailing; Joseph C. Lamb, v.p. & treasurer; Martin Sherman, sr., v.p. & chief exec. officer-Retail Development & Services Div.; James J. Crowe, v.p., secretary & gen. counsel; Edward Klee, v.p.-finance; Edwin C. Gerth, v.p. & controller; Robert Stix, sr., v.p.-mfg. & operations.

Directors: Philip G. Barach, chairman; John F. Lebor, Harold O. Toor, Gilbert Hahn, Jr., Daniel G. Ross, Albert M. Kronick, John L. Roy, Stanley H. Katz, Joseph H. Anderer, Philip L. Lowe, Lorrence T. Kellar.

Business Activities: The Company owns and operates shoe stores and leased departments, specialty stores, and shoe manufacturing facilities. Also operates 241 optical retail stores, and engages in direct mail marketing.

Retail Divisions and Subsidiaries:

The Banister Shoe Company
Operates 43 factory outlet shoe stores in 27 states.

Wm. Hahn Co.
7600 Jefferson Avenue
Landover, Maryland 20785
(202) 322-4550
Operates women's and men's shoe stores in 16 states and Washington, D.C. under the name Hahn Shoes. Also operates U.S. Shoe concepts stores in 14 states and Washington, D.C.

Up's N Downs
Operates 400 stores offering moderately priced junior sportswear.

Caren Charles
Operates 189 stores selling medium-priced apparel for women aged 25 to 50.

August Max
95-24 63rd Road
Rego Park, New York 11374
(212) 274-9055
Operates 74 stores targeted for older, affluent female clientele.

Cincinnati Shoe Co.
11445 Century Boulevard
Cincinnati, Ohio
(513) 731-2800
Operates 50 shoe specialty stores and 130 leased footwear departments.

Cabaret
Operates 12 stores offering fashion accessories for younger women.

Sophisticated Woman
Operates 11 stores offering large-size women's apparel of medium-to-better quality.

Casual Corner
107 Phoenix Avenue
Enfield, Connecticut 06082
(203) 741-0771
Operates 737 specialty apparel stores primarily located in shopping malls.

T.H. Mandy
Operates 17 stores offering brand-name apparel at discounted prices.

Petite Sophisticate
Apparel retailer operating 171 stores specializing in clothes made for smaller women.

Career Image
Operates 86 stores retailing apparel of medium-to-better quality for the working woman.

Front Row
Operates six stores offering a wide assortment of apparel and shoes for the whole family.

Nicole Summers
Specialty mail order catalog specializing in women's apparel for sizes 10 to 20.

Lenscrafters
Operates 232 eyewear stores in 97 metropolitan areas.

Optica
Operates three upscale eyewear stores in Palm Springs, Beverly Hills and Costa Mesa, California.

Goggles
Operates six eyewear stores that offer non-prescription sunglasses.

Stock Exchange(s): New York, Pacific

Ticker Symbol: USR

Number of Retail Units: (at fiscal year end)

1987	2,327	1984	2,603
1986	2,267	1983	1,636
1985	2,047		

Sales & Earnings

	Net Sales	Net Income
1987	$ 2,167,554,000	$ 52,065,000
1986	2,003,246,000	25,472,000
1985	1,920,225,000	64,875,000
1984*	1,717,401,000	53,423,000
1983	1,507,773,000	75,321,000

	No. of Com. Shares †	Earn. per Share ‡
1987	44,172,786	$ 1.16
1986	44,365,872	0.57
1985	43,949,554	1.46
1984*	43,578,138	1.21
1983	42,971,598	1.71

* 53 weeks.
† Adjusted to reflect stock splits.
‡ Based on the weighted average number of common shares and common share quivalents outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend †	Stock Dividend	Stock Split
1987	$ 0.46	—	—
1986	0.46	—	2-for-1
1985	0.44 1/2	—	—
1984	0.41 3/4	—	—
1983	0.37	—	2-for-1

† Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share †
1987	$ 518,393,000	$ 11.74
1986	488,818,000	11.03
1985	477,344,000	10.86
1984	427,828,000	9.82
1983	390,342,000	9.08

† Adjusted to reflect stock splits.

Income Account *
(000's)

Year ended	1/30/88	1/31/87
Net sales	$ 2,167,554	$ 2,003,246
Cost of sales	1,252,293	1,213,484
Expenses	846,182	714,991
Oper. profit	$ 69,079	$ 74,771
Other expense (income)	(9,321)	7,153
Total	$ 78,400	$ 67,618
Interest expense	17,442	18,146
Income before taxes	$ 60,958	$ 49,472
Income taxes	24,935	24,000
Net income	$ 52,065	$ 25,472

* Included in Costs and Expenses, Depreciation and Amortization: $54,768,000 in 1988 and $44,039,000 in 1987.

Assets
(000's)

As of	1/30/88	1/31/87
Cash	$ 22,089	$ 16,009
Fut. tax benefits	26,383	—
Recev., net	130,902	137,359
*Inventories	404,494	351,898
Current Assets	$ 583,868	$ 505,266
#Fixed assets	453,695	366,839
Other assets	63,068	50,843
Total Assets	$ 1,100,631	$ 922,948

Liabilities
(000's)

Unsecured notes payable	$ 57,688	$ 6,288
Notes payable & long-term debt, curr.	15,546	6,162
Accts. payable	221,819	164,265
Accruals	74,200	51,984
Curr. Liabilities	$ 369,253	$ 228,699
Long-term debt	142,655	130,919
Cap. lease oblig.	11,754	12,592
Deferred credits	58,576	61,920
+Common stock	52,174	47,555
Retained earnings	466,219	441,263
Total Liabilities & Shareholders' Equity	$ 1,100,631	$ 922,948

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	2.81	2.47
%Net Income to Sales	2.40	1.27
%Net Income to Equity	10.04	5.21
Sales to Inventories	5.36	5.69
Debt to Equity	0.44	0.28
Working Capital	$ 214,615,000	$ 276,567,000
Current Ratio	1.58	2.21
Shareholders' Equity	$ 518,393,000	$ 488,818,000

Village Super Market, Inc.

733 Mountain Avenue
Springfield, New Jersey 07081
(201) 467-2200

Officers: Nicholas Sumas, chairman of the board; Perry Sumas, chief executive officer & president; James Sumas, chief operating officer, v.p. & treasurer; Robert Sumas, v.p. & secretary; John Sumas, v.p.; William Sumas, v.p.; Adam T. Adams, general counsel; Frank Curci, controller; Carol Lawton, v.p. & asst. secretary.

Directors: Nicholas Sumas, chairman; Perry Sumas, James Sumas, George J. Andreakos, Robert Sumas, John Sumas, John J. McDermott, William Sumas.

Business Activities: Operates a chain of 26 supermarkets located in New Jersey and Pennsylvania, which sell 'Shop-Rite' label products. Also operates a liquor store and a variety store.

Subsidiaries:

Supermill, Inc.
Easton Shop-Rite, Inc.
Village Liquor, Inc.
Washington Associates, Inc.
Supermarket Management Services Co., Inc.
Starns Markets, Inc.

Transfer Agent(s):

Midlantic National Bank
Edison, New Jersey

Stock Exchange(s): Over-the-Counter

Ticker Symbol: VLGEA (NASDAQ)

Number of Stores: (at fiscal year end)

1987	28	1984	24
1986	27	1983	24
1985	24		

Sales & Earnings

	Net Sales	Net Income
1987	$ 567,395,000	$ 4,173,000
1986	402,930,000	3,232,000
1985	379,398,000	2,719,000
1984	342,806,000	35,000
1983	317,416,726	1,776,000

	No. of Com. Shares ‡	Earn. per Share ‡
1987	2,411,849	$ 1.73
1986	2,343,376	1.38
1985	2,343,376	1.16
1984	2,343,376	0.02
1983	2,343,376	0.76

‡ Based on common stock and Class A common stock combined adjusted to reflect stock split.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1987	$ 0.20	—	4-for-1
1986	0.15	—	—
1985	0.15	—	—
1984	0.19	—	—
1983	0.11	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Earn. per Share ‡
1987	$ 41,783,636	$ 17.32
1986	20,349,064	8.68
1985	17,311,226	7.39
1984	14,786,264	6.31
1983	14,993,926	6.40

‡ Based on common stock and Class A common stock combined adjusted to reflect stock split.

Income Account *

Year ended	7/25/87	7/26/86
Net sales	$ 567,395,053	$ 402,929,965
Cost of sales	438,388,082	313,304,891
Expenses	109,001,918	78,309,622
Depreciation & amortization	6,004,058	3,629,783
Interest expense	5,304,783	2,098,103
Inc. bef. taxes	$ 8,696,212	$ 5,387,566
Income taxes	4,523,000	2,155,722
Net Income	$ 4,173,212	$ 3,231,844

Assets

As of	7/25/87	7/26/86
Cash	$ 11,710,663	$ 9,065,713
Receiv., net	3,929,407	2,633,729
*Inventories	11,616,659	11,862,475
Prepaid expenses	540,196	514,015
Current Assets	$ 33,796,925	$ 24,075,932
Investments	4,128,000	2,869,420
#Fixed assets	58,355,332	31,813,554
Other assets	1,633,308	1,110,696
Intangibles	17,822,939	3,765,335
Cash held	— —	2,400,000
Total Assets	$ 115,736,504	$ 66,034,937

Liabilities

Long-term debt, curr.	$ 1,518,350	$ 2,223,234
Cap. lease oblig., curr.	347,109	315,743
Accts. payable & accruals	27,967,979	19,932,809
Income taxes	1,466,422	320,294
Curr. Liabilities	$ 31,299,860	$ 22,792,080
Notes & mortg. payable	26,033,953	6,882,548
Capitalized lease oblig.	13,763,542	14,114,732
Deferred inc. taxes	2,855,513	1,896,513
+ Common stock	—	163,172
+ Class A common stock	—	131,250
++ Class A common stock	18,103,251	—
++ Class B common stock	1,037,275	—
Add. paid-in capital	—	1,234,399
Retained earnings	22,688,110	18,865,243
Treasury stock	(45,000)	(45,000)
Total Liabilities & Shareholders' Equity	$ 115,736,504	$ 66,034,937

* Perishables at (FIFO) cost; dairy, frozen foods, liquor at FIFO; grocery and non-foods at LIFO.
# Less accumulated depreciation and amortization.
+ $0.50 par value.
++ No par value.

Statistical Summary

% Income bef. Taxes to Sales	1.53	1.33
% Net Income to Sales	0.74	0.80
% Net income to Equity	9.99	15.88
Sales to Inventories	48.84	33.97
Debt to Equity	1.00	1.16
Working Capital	$ 2,497,065	$ 1,283,852
Current Ratio	1.08	1.06
Shareholders' Equity	$ 41,783,636	$ 20,349,064

The Vons Companies, Inc.

(Merged with Allied Supermarkets, Inc. on July 22, 1987.)

10150 Lower Azusa Road
El Monte, California 91731
(818) 579-1400

Mailing Address:
P.O. Box 3338, Terminal Annex
Los Angeles, California 90051

Officers: Roger E. Strangeland, chairman of the board & chief executive officer; William S. Davila, president & chief operating officer; Robert P. Bermingham, sr. v.p., secretary & general counsel; Michael F. Henn, exec. v.p. & chief financial officer; Garrett R. Nelson, exec. v.p.-corp. development; Stuart A. Rosenthal, exec. v.p.-marketing & merchandising; Peter M. Horn, III, sr. v.p. & gen. mgr.-Vons Supermarkets; Kenneth F. Sekella, sr. v.p.-human resources; Charles J. Stos, sr. v.p.-distribution & manufacturing; Robert V. D'Amato, group v.p.-procurement/merchandising; Robert J. Kelly, group v.p. & gen. mgr.-Pavilions; Philip L. Maslowe, group v.p.-finance; Joseph F. Raymond, group v.p.-sales & advertising; Benjamin Harrington, pres.-Jerseymaid Milk Products; Christopher T. Linskey, v.p. & gen. mgr.-Pavilions.

Directors: Roger E. Strangeland, chairman; Fritz L. Duda, Hamilton E. James, Peter T. Joseph, Sidney Lapidus, Howard H. Newman, Jack Shewmaker, William Y. Tauscher.

Operates 193 supermarkets and food and drug combination stores primarily in southern California under the names Vons Supermarkets, Vons Food and Drug Combination Stores, Pavilions, and Tianguis. Also operates a bakery and processes food and dairy products.

Subsidiary:

Jerseymaid Milk Products Co.

Transfer Agent(s):

National Bank of Detroit
Shareholder Services Department
P.O. Box 331750
Detroit, Michigan 48232-6751

Stock Exchange(s): New York

Ticker Symbol: VON

Number of Stores

1987 193

NOTE: The Allied Supermarkets merger was completed on July 22, 1987. The pro forma results represent the operations of only the Vons Companies, Inc., assuming the Allied Supermarkets merger and asset sale occurred at the beginning of each reporting period.

Sales & Earnings

	Net Sales	Net Income
1/3/88*	$ 3,276,000,000	$ 1,600,000
12/28/86	2,953,500,000	(35,700,000)

	No. of Com. Shares	Earn. per Share ‡
1/3/88*	27,049,640	$ 0.06
12/28/86	27,049,640	—

(Loss)
* 53 weeks.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1/3/88	$ 153,900,000	$ 5.69
6/27/87	63,300,000	4.54

Income Account *
(000's)

Year ended	1/3/88 (53 weeks)	12/28/86
Net sales	$ 3,276,000	$ 2,953,500
Cost of sales	2,584,500	2,346,700
Expenses	615,500	568,100
Amort. of intangibles	8,500	8,500
Interest expense	64,400	65,900
Income (loss) before taxes	$ 3,100	$ (35,700)
Income taxes	7,000	—
Net Income (Loss)	$ (3,900)	$ (35,700)
Extraord. gain	5,500	—
Net Loss & extraord. gain	$ 1,600	$ (35,700)

* Included in Costs and Expenses, Depreciation and Amortization: $37,700,000 in 1988 and $35,900,000 in 1987.

Assets
(000's)

As of	1/3/88	6/27/87
Cash	$ 3,300	$ 95,700
Accts. receiv., net	26,500	200
*Inventories	182,500	—
Net assets held for sale	—	44,700
Other curr. assets	10,900	100
Current Assets	$ 223,200	$ 140,700
#Fixed assets	429,800	—
Capital leases	30,500	—
Other assets	34,100	8,700
Intangibles	338,900	—
Total Assets	$ 1,056,000	$ 149,400

Liabilities
(000's)

Long-term debt & cap. lease oblig., curr.	$ 3,000	$ —
Accts. payable	187,100	—
Accruals	120,200	3,700
Curr. Liabilities	$ 310,300	$ 3,700

Accrued self-insur.	49,800	—
Long-term debt	215,500	—
Subord. debt	289,400	82,400
Capital leases	37,600	—
+Common stock	2,700	1,400
Add. paid-in capital	133,300	42,800
Retained earnings	19,500	21,200
Notes receiv. for stock	(1,600)	(800)
Treasury stock	—	(1,300)
Total Liabilities & Shareholders' Equity	$ 1,056,000	$ 149,400

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	0.09	—
Sales to Inventories	17.95	—
Debt to Equity	3.54	—
Working Capital	—	$ 137,000,000
Shareholders' Equity	$ 153,900,000	$ 63,300,000

Wal-Mart Stores, Inc.

702 SW 8th Street
P.O. Box 116
Bentonville, Arkansas 72716
(501) 273-4000

Officers: Sam M. Walton, chairman of the board; David D. Glass, president & chief executive officer; A. L. Johnson, vice chairman; S. Robson Walton, vice chairman; Donald G. Soderquist, vice chairman & chief operating officer; Paul R. Carter, exec. v.p. & chief financial officer; Bill Fields, exec. v.p.-merchandise & sales; A. L. Miles, exec. v.p.-special services; John E. Tate, exec. v.p.-professional services; Nick White, exec. v.p.-Sam's Wholesale Club; Thomas M. Coughlin, sr. v.p.-operations, Sam's Wholesale Club; David Dible, sr. v.p.-general merchandise mgr.; H. 'Mac' Gunnison, sr. v.p.-operations; Joseph S. Hardin, Jr., sr. v.p.-distribution & transportation; Joseph P. Hatfield, sr. v.p.-general merchandise manager; Harold E. Johnson, sr. v.p.-operations; Bobby L. Martin, sr. v.p.-information systems; Dean L. Sanders, sr. v.p.-operations; Thomas P. Seay, sr. v.p.-real estate & construction; Robert K. Voss, sr. v.p.-general merchandise manager, Sam's Wholesale Club; James L. Walton, sr. v.p.; Colon Washburn, sr. v.p.-general merchandise manager; Wesley C. Wright, sr. v.p.-special divisions; B. D. Adams, v.p.-operations; Clarence H. Archer, v.p.-pharmacy; Harryetta Bailey, v.p.-divisional merchandise manager; Stephen M. Bailey, v.p.-merchandise systems; Curtis Barlow, v.p.-real estate; Robert T. Bruce, v.p.-inventory management; Dwight A. Carney, v.p.-advertising & sales promotion; James K. Comeaux, v.p.-divisional merchandise mgr.; Richard Donckers, v.p.-food retailing, Hypermart USA; Arthur Emmanuel, v.p.-operations; Steve Farmer, v.p.-operations; Roger Lee Gildehaus, v.p.-divisional merchandise manager; David H. Gorman, v.p.-loss prevention; Harry S. Green, v.p.-operations; Michael J. Guccione, v.p.-jewelry; Steve Harig, v.p.-divisional merchandise mgr.; Robert L. Hart, v.p.-operations; Lewis R. Hobbs, v.p.-divisional merchandise mgr.; William L. Hutcheson, v.p.-Shoe Division; Pete Jasan, v.p.-divisional merchandise mgr.; Lolan C. Mackey, v.p.-operations; Peter C. Metzger, v.p.-imports; Harry Miller, v.p.-operations; Robert J. Murphey, v.p.-construction; Duane G. Naccarato, v.p.-merchandise; Charles Ratehff, v.p.-treasurer; Melvin C. Redman, v.p.-store planning; Robert K. Rhoads, v.p.-general counsel & secretary; Charles Russell, v.p.-operations; Leroy W. Schuetta, v.p.-operations; H. Lee Scott, Jr., v.p.-distribution; Lew Skelton, v.p.-operations; Mike Spear, v.p.-divisional merchandise mgr.; Steve Tiernan, v.p.-general merchandise mgr.-Hypermart USA; John Tillman, v.p.-operations; Donald E. Tripp, v.p.-gen. mgr.-Hypermart USA; P. Terry Tucker, v.p.-divisional merchandise mgr.; James A. Walker, Jr., v.p.-controller; Jim Woodruff, v.p.-divisional merchandise mgr..

Directors: Sam M. Walton, chairman; David R. Banks, Paul R. Carter, Hillary Rodham Clinton, John A. Cooper, Jr., David D. Glass, A. L. Johnson, James H. Jones, Robert Kahn, Charles Lazarus, William H. Seay, Jack Shewmaker, Donald G. Soderquist, John E. Tate, James L. Walton, S. Robson Walton.

Business Activities: Operates 1,114 Wal-Mart retail stores in 23 states in the South, Southwest and Midwest; also operates 84 Sam's Wholesale Clubs, 12 Dot Discount Drug Stores, three Helen's Arts and Crafts Stores, and two Hypermart USA stores.

Transfer Agent(s):

Centerre Trust Company of St. Louis
510 Locust Street
P.O. Box 14768
St. Louis, Missouri 63178

Stock Exchange(s): New York, Pacific

Ticker Symbol: WMT

Number of Stores: (at fiscal year end)

1988	1,215	1985	756
1987	1,038	1984	551
1986	887		

Sales & Earnings

	Net Sales (000's)	Net Income (000's)
1988	$ 15,959,255	$ 627,643
1987	11,909,076	450,086
1986	8,451,489	327,473
1985	6,400,861	270,767
1984	4,666,909	196,244

	No. of Com. Shares #	Earn. per Share ‡
1988	$ 565,111,944	$ 1.11
1987	564,365,892	0.79
1986	562,090,942	0.58
1985	560,889,492	0.48
1984	559,662,776	0.35

‡ Based on the average number of shares outstanding adjusted to reflect stock dividends.
# Adjusted to reflect stock dividends.

Common Stock

	Cash Dividend†	Stock Dividend	Stock Split
1988	$ 0.12	100%	—
1987	0.085	—	—
1986	0.07	100%	—
1985	0.525	—	—
1984	0.035	100%	—

† Adjusted to reflect stock dividends.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	$ 2,257,267,000	$ 3.99
1987	1,690,493,000	3.00
1986	1,277,659,000	2.27
1985	984,672,000	1.76
1984	737,503,000	1.32

‡ Adjusted to reflect stock dividends.

Income Account *
(000's)

Year ended Jan. 31	1988	1987
Net sales	$ 15,959,255	$ 11,909,076
Other income	104,783	84,623
Total income	$ 16,064,038	$ 11,993,699
Cost of sales	12,281,766	9,053,219
Expenses	2,599,367	2,007,645
Interest & debt expense	114,257	86,809
Income before taxes	$ 1,068,670	$ 846,026
Income taxes	441,027	395,940
Net Income	$ 627,643	$ 450,086

* Included in Costs and Expenses, Depreciation: $165,962 in 1988 and $123,639 in 1987.

Assets
(000's)

As of Jan. 31	1988	1987
Cash	$ 11,325	$ 8,527
Marketable securities	—	157,018
Receiv., net	95,928	90,380
Recov. costs from sales	126,917	47,160
*Inventories	2,651,760	2,030,972
Prepaid expenses	19,215	19,214
Current Assets	$ 2,905,145	$ 2,353,271
#Fixed assets	1,358,268	970,073
Prop. held under cap. leases	786,584	706,209
Goodwill	47,034	—
Other assets & def. charges	34,778	19,539
Total Assets	$ 5,131,809	$ 4,049,092

Liabilities
(000's)

Notes payable	$ 104,382	$ —
Long-term debt, curr.	2,046	1,448
Oblig. under cap. leases curr.	16,498	12,101
Accts. payable	1,099,961	924,654
Accruals	229,921	159,915
Accrued payroll	89,118	62,774
Income taxes	120,773	132,833
Other taxes	81,064	46,496
Curr. Liabilities	$ 1,743,763	$ 1,340,291
Long-term debt	185,672	179,234
Cap. lease oblig.	866,972	764,128
Deferred inc. taxes	78,135	74,946
+Common stock	56,511	28,218
Add. paid-in capital	170,440	191,857
Retained earnings	2,030,316	1,470,418
Total Liabilities & Shareholders' Equity	$ 5,131,809	$ 4,049,092

* At cost (LIFO) not in excess of market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	6.70	7.10
%Net Income to Sales	3.93	3.78
%Net Income to Equity	27.81	26.62
Sales to Inventories	6.02	5.86
Debt to Equity	0.52	0.57
Working Capital	$ 1,161,382,000	$ 1,012,980,000
Current Ratio	1.67	1.76
Shareholders' Equity	$ 2,257,267,000	$ 1,690,493,000

Walgreen Co.

200 Wilmot Road
Deerfield, Illinois 60015
(312) 940-2500

Officers: Charles R. Walgreen, III, chairman & chief exec. officer; Fred F. Canning, president & chief operating officer; Charles D. Hunter, executive v.p. & chief financial officer; L. Daniel Jorndt, sr. v.p. & treasurer; Glenn S.

Walgreen Co.

Kraus, senior v.p.-drug store operations; John R. Brown, sr. v.p.-distribution & mfg.; Vernon A. Brunner, senior v.p.-marketing; William O. Shank, v.p., gen. counsel & corp. secretary; L. Alan Crotty, v.p.-administration; John A. Rubino, v.p.-human resources; John B. Seastone, v.p.-food services; William A. Shiel, v.p.-facilities development; George C. Eilers, v.p.-purchasing; Robert C. Atlas, v.p.-drug store operations; Jerome B. Karlin, v.p.-drug store operations; Roger L. Polark, controller; Roger H. Clausen, gen. auditor; Joel H. Levin, asst. secretary; Edward H. King, asst. secretary; Emily Koulogeorge, asst. secretary; Julian A. Oettinger, asst. secretary; John M. Palizza, asst. treasurer; Richard C. Hilderbrandt, asst. treasurer; John F. Richter, asst. controller.

Directors: C. R. Walgreen, III, A. C. Nielsen, Jr., M. R. Kephart, C. D. Hunter, F. F. Canning *, John B. Schwemm, Theodore Dimitriou *, Marilou M. Medlund, James J. Howard.

* Member of the Executive Committee

Business Activities: Operates a chain of 1,356 Walgreen drug stores, 102 separate restaurants, and manufacturing facilities for the production of health, beauty and household products. Also operates an international travel service and photo processing facilities.

Divisions:

Drug Store Division
Food Service Division
Manufacturing Division
Photo Processing Studios
International Travel Service

Transfer Agent(s):

Harris Trust and Savings Bank
311 West Monroe Street, 11th Floor
Chicago, Illinois 60690

Stock Exchange(s): New York, Midwest

Ticker Symbol: WAG

Number of Stores: (at fiscal year end)

1987	1,356	1984	1,002
1986	1,273	1983	941
1985	1,095		

Sales & Earnings

	Net Sales # ('000's)	Net Income ('000's)
1987	$ 4,281,606	$ 103,537
1986	3,660,553	103,137
1985	3,161,935	94,169
1984	2,744,625	85,446
1983	2,360,614	69,789

	No. of Com. Shares ‡	Earn. per Share ‡
1987	61,503,868	$ 1.68
1986	61,495,436	1.67
1985	61,397,868	1.53
1984	61,351,244	1.39
1983	61,323,468	1.14

Of continuing operations only.
‡ Based on the weighted average number of shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1987	$ 0.54	—	—
1986	0.50	—	—
1985	0.44	—	2-for-1
1984	0.36	—	—
1983	0.30	—	2-for-1

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share +
1987	$ 622,328,000	$ 10.12
1986	553,611,000	9.00
1985	480,974,000	7.83
1984	414,618,000	6.76
1983	351,705,000	5.74

+ Based on the weighted average number of shares outstanding adjusted to reflect stock splits.

Income Account *
('000's)

Year ended Aug. 31	1986	1985
Net sales	$ 4,281,606	$ 3,660,553
Cost of sales	3,000,988	2,550,072
Expenses	1,069,859	914,003
Other expense	16,576	8,852
Income before taxes	$ 194,183	$ 187,626
Income taxes	90,646	84,489
Net Income	$ 103,537	$ 103,137

* Included in Costs and Expenses, Depreciation and Amortization: $53,718,000 in 1987 and $43,835,000 in 1986.

Assets
('000's)

As of Aug. 31	1986	1985
Cash	$ 39,980	$ 48,958
Marketable securities	1,257	49,144
Accts. receiv., net	65,073	43,406
*Inventories	694,093	551,370
Other assets	23,219	27,286
Current Assets	$ 823,622	$ 720,164
Investments	741	1,301
#Fixed assets	517,205	453,318
Prop. under cap leases	20,368	22,299
Total Assets	$ 1,361,936	$ 1,197,082

Liabilities
('000's)

Notes payable	$ 20,000	$ —
Long-term debt, curr.	3,879	3,509
Accts. payable	243,533	203,838
Accrued exp. & other liab.	186,297	161,988
Income taxes	11,835	19,499
Curr. Liabilities	$ 465,544	$ 388,834
Long-term debt	141,433	136,158
Deferred inc. taxes	107,391	91,726
Oblig. under cap. leases	25,240	26,753
+Common stock	76,638	78,248
Retained earnings	545,690	475,363
Total Liabilities & Shareholders' Equity	$ 1,361,936	$ 1,197,082

* At lower of cost (valued on a LIFO basis) or market.
# Less accumulated depreciation.
+ $2.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.54	5.13
%Net Income to Sales	2.42	2.82
%Net Income to Equity	16.64	18.63
Sales to Investories	6.17	6.64
Debt to Equity	0.23	0.25
Working Capital	$ 358,078,000	$ 331,330,000
Current Ratio	1.77	1.85
Shareholders' Equity	$ 622,328,000	$ 553,611,000

Wall To Wall Sound & Video, Inc.

200 South Route 130
Cinnaminson, New Jersey 08077
(609) 786-8300

Officers: Jerome Shulman, chairman, president & chief exec. officer; Lee Swede, exec. v.p., secretary & treasurer; Stephen Bell, sr. v.p.; Bruce Bell, sr. v.p.; Charles F. Dombrowski, v.p.-finance & chief financial officer; Gary Shulman, v.p.-music; Scott Shulman, v.p.-audio; Kevin Weinfeld, v.p.-marketing; Emanuel Drucker, v.p.-music; Doris Brand, v.p. & controller; Donald A. Schmoyer, v.p.-store operations; Michael A. Dorer, v.p.-personnel; Edward Kochman, v.p.-administrative services.

Directors: Jerome Shulman, chairman; Lee Swede, Stephen Bell, Bruce Bell, Gary Shulman, Scott Shulman, Charles H. Lavenson.

Business Activities: Operates 85 home entertainment and consumer electronic retail stores in Pennsylvania, New York, New Jersey, Maryland, Delaware and Ohio, principally under the names "Wall to Wall Sound & Video" and "Listening Booth." Products include prerecorded music, audio and video equipment, related accessories, and video movie cassettes for rental and sale.

Transfer Agent(s):

Midlantic National Bank
Metro Park Plaza
P.O. Box 600
Edison, New Jersey, 08818

Stock Exchange(s): Over-the-Counter

Ticker Symbol: WTWS (NASDAQ)

Number of Stores: (at fiscal year end)

1987	85	1984	58
1986	81	1983	53
1985	69		

Sales & Earnings

	Net Sales	Net Income
1987*	$ 98,463,000	$ 2,837,000
1986	101,500,000	3,147,000
1985	83,553,000	4,734,000
1984	60,867,000	2,294,000
1983	41,030,000	919,000

	No. of Com. Shares ‡	Earn. per Share ‡
1987*	$ 5,300,000	$ 0.54
1986	5,275,000	0.60
1985	5,000,000	0.95
1984	5,000,000	0.45
1983	N.A.	0.18

* 9 Months
N.A. - Not Available.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity †	Equity Per Share ‡
1987	$ 20,055,647	$ 3.78
1986	17,218,899	3.26
1985	10,407,321	2.08

† After allowing for preferred stock at par value.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account

Year ended	2/28/87 (9 months)	5/31/86
Net sales	$ 98,463,048	$ 101,499,533
Cost of sales	64,750,784	66,729,884
Expenses	25,226,912	26,572,662
Depreciation & amortization	2,879,720	2,884,862
Amort. of deferred credit	(200,887)	(267,852)
Interest expense	169,769	153,399
Income before taxes	$ 5,636,748	$ 5,426,578
Income taxes	2,800,000	2,280,000
Net Income	$ 2,836,748	$ 3,146,578

Assets

As of	2/28/87	5/31/86
Cash	$ 928,789	$ 827,635
Accts. receiv., net	539,163	406,105
*Inventories	34,638,778	26,480,320
Prepaid expenses	91,047	118,592
Current Assets	$ 36,197,777	$ 27,832,652
#Fixed assets	10,489,526	8,905,268
Deferred lease costs	256,364	271,664
Cash value of officers' life insur.	1,099,426	727,613
Total Assets	$ 48,043,093	$ 37,737,197

Liabilities

Notes payable	$ 6,500,000	$ 4,225,000
Accts. payable	15,630,074	12,974,068
Accrued adv. expenses	886,917	726,338
Accruals	2,270,914	1,563,894
Income taxes	1,621,734	14,304
Curr. Liabilities	$ 26,909,639	$ 19,503,604
Deferred credit	334,807	535,694
Deferred inc taxes	443,000	179,000
+Preferred stock	300,000	300,000
++Common stock	53,000	53,000
Add. paid-in capital	5,412,000	5,412,000
Retained earnings	14,590,647	11,753,899
Total Liabilities & Shareholders' Equity	$ 48,043,093	$ 37,737,197

* At lower of cost (FIFO) or market.
# Less accumulated depreciation amortization.
+ $100 par value; 12% noncumulative convertible.
++ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	5.72	5.35
%Net Income to Sales	2.88	3.10
%Net Income to Equity	13.94	17.96
Sales to Inventories	2.84	3.83
Debt to Equity	0.32	0.24
Working Capital	$ 9,288,138	$ 8,329,048
Current Ratio	1.35	1.43
Shareholders' Equity	$ 20,355,647	$ 17,518,899

The Warnaco Group, Inc.

(formerly Warnaco, Inc.)

(Became a privately held corporation in May 1986)
1111 Santa Monica Boulevard
Los Angeles, California 90025
(213) 473-0032

Warnaco, Inc.
90 Park Avenue
New York, New York 10016
(212) 661-1300

350 Lafayette Street
Bridgeport, Connecticut 06601
(203) 579-8274

Officers: Andrew G. Galef, chairman; Linda J. Wachner, president; Robert D. Walter, exec. v.p. & chief financial officer; Jay A. Berman, treasurer & asst. secretary; Wesley R. Card, corp. controller; Stanley P. Silverstein, secretary & general counsel; Allen Finkenaur, v.p.-taxes; Edward F. Keene, asst. corp. controller.

Directors: Andrew G. Galef, chairman; Linda J. Wachner, Frederick R. Adler, Bruce I. Raben, Robert D. Walter.

Business Activities: The company is a diversified manufacturer and marketer of apparel. Its Outlet Store Division operates 55 retail stores which sell excess and out-of-season off-price apparel products to the general public.

Divisions:

Menswear Division
Womenswear Division
Intimate Apparel Division
International Division
Outlet Store Division

Subsidiaries:

Warnaco, Inc.
Warnaco International Inc.
Warnaco Limited
Warnaco de Costa Rica Inc.
Warnaco Men's Sportswear Inc.
Warnaco of Canada Limited
Warnaco Outlet Stores Inc.
Warnaco Sourcing Inc.
Warnaco Sourcing Limited
Warnana Limited
Warner's Aiglon, S.A. (France)
Warner's Company (Belgium) S.A.
Warner's de Costa Rica Inc.
Warner's de Honduras, S.A.
Warner's de Mexico, S.A. de C.V.
Warner's (U.K.) Ltd.

Number of Stores: (at fiscal year end)

1987 55

NOTE: The Warnaco Group, Inc. was incorporated in Delaware on Mar. 14, 1986, and on May 10, 1986 acquired substantically all of the outstanding shares of Warnaco Inc. Warnaco is the principal operating subsidiary of The Warnaco Group.

Sales & Earnings

	Net Sales	Net Income
1987*	$ 39,977,000	$ (39,046,000)
1986+‡	198,053,000	(4,336,000)
1985‡	591,285,000	22,523,000
1984‡	561,391,000	20,474,000
1983‡	497,260,000	28,342,000

	No. of Com. Shares	Earn. per Share †
1987*	2,000,000	$ —
1986+‡	N.A.	—
1985‡	N.A.	2.20
1984‡	N.A.	2.02
1983‡	N.A.	2.80

(Loss)
N.A. - Not Available.
* 8 months.
+ 5 months
‡ Predecessor company.
† Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share
1987	$ (21,449,000)	$ —

(Deficiency)

Income Account *

Year ended Jan. 3	1987 (8 months)
Net sales	$ 391,977,000
Cost of sales	282,665,000
Expenses	104,303,000
Interest expense	42,373,000
Loss before taxes	$ (37,364,000)
Income taxes	1,682,000
Net Loss	$ (39,046,000)

* Included in Costs and Expenses, Depreciation and Amortization $17,140,000 in 1987.

Assets

As of Jan. 3	1987
Cash & time deposits	$ 21,797,000
Accts. receiv., net	97,111,000
*Inventories	93,009,000
Prop. held for sale	4,000,000
Prepaid expenses	6,692,000
Current Assets	$ 222,609,000
#Fixed assets	113,937,000
Deferred fin. costs	36,519,000
Licensed trademarks	77,548,000
Intangibles	169,868,000
Total Assets	$ 620,481,000

Liabilities (000's)

Notes payable	$ 4,136,000
Long-term debt, curr.	30,466,000
Accts. payable & accruals	43,309,000
Accrued compensation	15,851,000
Other accruals	24,736,000
Income taxes	35,981,000
Curr. Liabilities	$ 154,479,000
Long-term debt	444,236,000
Other liabilities	1,715,000
Redeem preferred stock	41,500,000
+Common stock:	
Class B	15,000
Class A	5,000
Add. paid-in capital	19,800,000
Cum. trans. adjust.	347,000
Retained earnings (def.)	(41,796,000)
Total Liabilities & Shareholders' Equity	$ 620,481,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.01 par value.

Statistical Summary

Sales to Inventories	4.21
Working Capital	$ 68,130,000
Current Ratio	1.44
Shareholders' Equity (Deficiency)	$ (21,449,000)

Webster Clothes, Inc.

1800 Woodlawn Drive
Baltimore, Maryland 21207
(301) 944-8811

Officers: Samuel M. Feldman, chairman of the board & president; Stephen A. Blake, exec. v.p.-finance & administration; Gerald M. Barsha, sr. v.p.-stores; Larry D. Bolt, sr. v.p.-merchandising, Aggio and Zeidler & Zeidler; Neil G. Goldenberg, sr. v.p.-merchandising, Webster Men's Wear; Stuart R. Berney, v.p.-management information systems &

Webster Clothes, Inc.

asst. secretary; Marcia A. Croteau, v.p., controller & principal accounting officer; Cathie A. Degonia, v.p.-marketing & communications; Wayne L. Vaden, regional v.p.; Nelson L. Kaplan, regional v.p.; Neil C. Kahn, secretary & general counsel; Gretchen V. Feldman, asst. secretary.

Directors: Samuel M. Feldman, chairman; Stephen A. Blake, Alfred I. Coplan, Gretchen V. Geldman, Irving G. Katz.

Business Activities: Operates 126 men's wear retail stores in regional malls in 23 states nationwide, under the names Webster Men's Wear, Zeidler & Zeidler Ltd., and Aggio.

Division:

Aggio
Engaged in the retail sale of men's upscale sportswear.

Acquisition:

Z & Z Fashions Ltd.
1804 Lincoln Boulevard
Santa Monica, California 90404
(213) 870-2745
Operates 19 men's clothing stores, all under the name of Zeidler & Zeidler Ltd., in California and Nevada.

Transfer Agent(s):

The Chase Manhattan Bank, N.A.

Stock Exchange(s): Over-the-Counter

Ticker Symbol: WEBS (NASDAQ)

Number of Stores:

1988	126	1986	81
1987	88		

Sales & Earnings

	Net Sales	Net Income
1987	$ 59,966,000	$ 1,977,000
1986	48,273,000	2,030,000
1985	42,324,000	1,993,000
1984*	36,048,000	1,696,000
1983	31,499,000	2,136,000

	No. of Com. Shares ‡	Earn. per Share ‡
1987	3,250,000	$ 0.61
1986	3,185,000	0.64
1985	3,000,000	0.66
1984	3,000,000	0.57
1983	3,000,000	0.71

* 53 weeks.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	$ 16,509,000	$ 5.08
1986	14,532,000	4.56
1985	10,236,000	3.41
1984	10,236,000	3.41
1983	8,540,000	2.85

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended	1/30/88	1/31/87
Net sales	$ 59,966	$ 48,273
Cost of sales	30,724	24,206
Expenses	25,786	20,381
Oper. profit	$ 3,456	$ 3,686
Other expense (income)	354	(316)
Income before taxes	$ 3,102	$ 4,002
Income taxes	1,125	1,945
Net Income	$ 1,977	$ 2,057

* Included in Costs and Expenses, Depreciation and Amortization: $2,068,000 in 1987 and $1,349,000 in 1986.

Assets
(000's)

As of	1/30/88	1/31/87
Cash	$ 2,802	$ 7,906
Marketable securities	510	257
Accts. receiv., net	828	671
Refundable taxes	493	276
* Inventories	11,285	7,707
Prepaid expenses	1,330	977
Current Assets	$ 17,248	$ 17,794
Investments	110	220
# Fixed assets	12,724	8,023
Intangibles	1,361	—
Total Assets	$ 31,443	$ 26,037

Liabilities
(000's)

Notes payable	$ 350	$ —
Long-term debt, curr.	922	862
Accts. payable	6,634	4,343
Accruals	1,145	631
Accrued rent	563	379
Income taxes	92	5
Curr. Liabilities	$ 9,906	$ 6,220
Long-term debt	4,440	4,901
Deferred inc. taxes	588	384
+ Common stock	33	33
Add. paid-in capital	3,468	3,468
Retained earnings	13,008	11,031
Total Liabilities & Shareholders' Equity	$ 31,443	$ 26,037

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	5.17	8.29
%Net Income to Sales	3.30	4.26
%Net Income to Equity	11.98	14.15
Sales to Inventories	5.31	6.26
Debt to Equity	0.36	0.40
Working Capital	$ 7,342,000	$ 11,574,000
Current Ratio	1.74	2.86
Shareholders' Equity	$ 16,509,000	$ 14,532,000

Weiman Co., Inc.

4801 West Peterson
Chicago, Illinois 60646
(312) 286-1121

Officers: Richard D. Goddard, chairman of the board & president; Ronald Meyers, exec. v.p.; Paul Bohlmann, secretary & treasurer.

Directors: Richard D. Goddard, chairman; Ronald Meyers, Peter O. Fetzer, Ronald S. Sheldon.

Business Activities: Manufacturer and distributor of consumer and industrial products primarily in the field of photography. The photographic group sells photographic and audio visual equipment and supplies, partly through two retail photographic equipment outlets, operates film processing and developement laboratories and develops negatives, prints, slides and film strips. Through its ADCO Products Division, the Company operates a mail order jewelry business.

Division and Subsidiaries:

Photographic Group

Standard Photo Supply Company
Chicago, Illinois

AGS&R Communications
Chicago, Illinois

Gamma Photo Labs
Chicago, Illinois

National Photo and Camera Company
Chicago, Illinois

Astra Photo Service
Chicago, Illinois

Mail Order Group

ADCO Products Division
Chicago, Illinois

Transfer Agent(s):

Register and Transfer Company
New York, New York

Stock Exchange(s): American

Ticker Symbol: WC

Number of Stores: (at fiscal year end)

1987	2	1985	2
1986	3		

Sales & Earnings

	Net Sales +	Net Income #
1987	$ 38,910,000	$ 43,968
1986	37,005,000	240,188
1985	34,542,000	830,607
1984	30,059,000	595,624
1983	25,958,000	134,000

	No. of Com. Shares	Earn. per Share ‡ #
1987	758,958	$ 0.06 —
1986	726,958	0.32
1985	726,958	1.10
1984	726,958	0.79
1983	735,558	0.20

+ Of continuing operations only.
# Including extraordinary gains of $147,000 ($0.19 per share) in 1985, $228,000 ($0.30 per share) in 1984 and $67,000 ($0.09 per share) in 1983.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business

	1987	1986
Photographic	$ 31,921,000	29,440,000
Mail order segment	6,900,000	7,474,000
Corporate	89,000	91,000
Total	$ 38,910,000	$ 37,005,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	$ 0.16	—	—
1986	0.16	—	—
1985	0.15	—	—
1984	0.10	—	—
1983	0.08	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1987	$ 5,996,000	$ 7.90
1986	5,997,000	8.25
1985	5,873,000	8.08
1984	5,151,000	7.09
1983	4,663,000	6.34

Income Account *

Year ended Dec. 31	1987	1986
Net sales	$ 38,713,119	$ 36,814,081
Other income	196,584	190,507
Total income	$ 38,909,703	$ 37,004,588
Cost of sales	22,529,148	21,067,423
Expenses	15,426,035	14,407,005
Non-recurring loss	—	321,265
Interest expense	513,996	482,842
Income bef. taxes	$ 440,524	$ 726,053
Income taxes	195,000	237,000
Inc.-cont. oper.	$ 245,524	$ 489,053
Loss-discont. oper.	(201,556)	(248,865)
Net Income	$ 43,968	$ 240,188

* Included in Costs and Expenses, Depreciation and Amortization: $793,071 in 1987 and $754,407 in 1986.

Assets

As of Dec. 31	1987	1986
Cash	$ 1,536,058	$ 762,452
Accts. receiv., net	4,526,219	3,800,254
Recov. inc. taxes	323,000	—
*Inventories	2,711,207	2,398,590
Prepaid expenses	785,865	1,875,163
Deferred inc. taxes	182,000	389,000
Current Assets	$ 10,064,379	$ 9,225,459
#Fixed assets	3,793,488	3,311,535
Other assets	665,039	749,648
Intangibles	715,760	744,369
Total Assets	$ 15,238,666	$ 14,031,011

Liabilities

Long-term debt, curr.	$ 920,050	$ 728,220
Accts. payable	1,651,833	1,568,447
Accruals	464,554	710,608
Employee compensation	1,329,721	1,153,326
Income taxes	29,058	49,884
Curr. Liabilities	$ 4,395,216	$ 4,210,485
Long-term debt	4,331,391	3,562,602
Deferred comp.	245,000	225,000
Deferred inc. taxes	71,000	36,000
+Common stock	767,558	735,558
Add. paid-in capital	805,122	760,522
Retained earnings	4,457,821	4,535,286
Treasury Stock	(34,442)	(34,442)
Total Liabilities & Shareholders' Equity	$ 15,238,666	$ 14,031,011

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Net Income to Equity	0.73	4.01
Sales to Inventories	14.28	15.35
Debt to Equity	0.91	0.72
Working Capital	$ 5,669,163	$ 5,014,974
Current Ratio	2.29	2.19
Shareholders' Equity	$ 5,996,059	$ 5,996,924

Weis Markets, Inc.

1000 South Second Street
Sunbury, Pennsylvania 17801
(717) 286-4571

Officers: Sigfried Weis, president; Robert F. Weis, vice president and treasurer; Micheal C. Rheam, vice president and secretary; Richard D. Madison, v.p.-merchandising; Alan L. Barrick, v.p.-engineering and manufacturing; Walter B. Bruce, v.p.-private label; George J. Michalak, v.p.-perishables; Norman S. Rich, v.p.-store operations; Richard L. Wetzel, v.p.-finance; Richard L. Kunkle, v.p.-pharmacy.

Directors: Sigfried Weis, Robert F. Weis, Micheal C. Rheam, Charles H. Watts, II, Peter M. Sacerdote.

Business Activities: Operates supermarkets in Pennsylvania, New York, West Virginia and Maryland, under the name of Weis Markets. Weis Food Service distributes frozen foods and grocery items to restaurants and institutions. Also operates 9 Amity House Restaurants.

Subsidiaries:

Weis Food Service
Northumberland, Pennsylvania

Transfer Agent(s):

Mellon Bank (East)
Securities Transfer Services
Pittsburgh, Pennsylvania 15219

Stock Exchange(s): New York

Ticker Symbol: WMK

Number of Stores: (at fiscal year end)

1987	116	1984	119
1986	116	1983	116
1985	122		

Sales & Earnings

	Net Sales	Net Income
1987	$ 1,128,325,000	$ 75,982,000
1986	1,101,473,000	65,261,000
1985	1,017,173,000	60,144,000
1984	957,775,000	55,307,000
1983	891,857,000	50,120,000

	No. of Com. Shares #	Earn. per Share #
1987	45,722,336	$ 1.66
1986	45,999,126	1.42
1985	46,167,586	1.30
1984	46,408,074	1.19
1983	46,414,536	1.08

Based on the average number of shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1987	$ 0.43	—	3-for-2
1986	0.36	—	—
1985	0.32	—	3-for-2
1984	0.29	—	—
1983	0.25	—	3-for-2

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	$ 454,012,000	$ 9.93
1986	407,494,000	8.86
1985	365,828,000	7.92
1984	323,509,000	6.97
1983	283,967,000	6.12

‡ Based on the average number of shares outstanding adjusted to reflect stock splits.

Income Account *

Year ended	12/26/87	12/27/86
Net sales	$ 1,128,325,000	$ 1,101,473,000
Cost of sales	831,450,000	815,255,000
Expenses	192,755,000	191,184,000
Int. & div. income	(16,698,000)	(15,231,000)
Other Income	(10,014,000)	(11,883,000)
Income before taxes	$ 130,832,000	$ 122,148,000
Income taxes	54,850,000	56,887,000
Net Income	$ 75,982,000	$ 65,261,000

* Included in Costs and Expenses, Depreciation and Amortization: $16,954,000 in 1987 and $16,628,000 in 1986.

Assets

As of	12/26/87	12/27/86
Cash	$ 304,000	$ 330,000
Marketable securities	293,934,000	255,313,000
Accts. receiv., net	10,943,000	11,682,000
*Inventories	76,267,000	66,133,000
Prepaid expenses & other assets	6,661,000	3,364,000
Current Assets	$ 388,109,000	$ 336,822,000
#Fixed assets	144,840,000	133,629,000
Intangibles	3,746,000	3,815,000
Total Assets	$ 536,695,000	$ 474,266,000

Liabilities

Accts. payable	$ 44,779,000	$ 37,220,000
Accruals	11,851,000	7,001,000
Contrib. to pension plans	2,836,000	2,073,000
Income taxes	9,731,000	9,145,000
Dividends payable	5,012,000	4,128,000
Curr. Liabilities	$ 74,209,000	$ 59,567,000
Deferred income taxes	8,474,000	7,205,000
+Common stock	6,359,000	6,257,000
Retained earnings	473,257,000	417,087,000
Treasury stock	(25,804,000)	(15,850,000)
Total Liabilities & Shareholders' Equity	$ 536,695,000	$ 474,266,000

* At lower of cost (LIFO or average cost method) or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	11.60	11.09
%Net Income to Sales	6.73	5.92
%Net Income to Equity	16.74	16.02
Sales to Inventories	14.79	16.66
Working Capital	$ 313,900,000	$ 277,255,000
Current Ratio	5.23	5.65
Shareholders' Equity	$ 454,012,000	$ 407,494,000

Weisfield's, Inc.

800 South Michigan Street
Seattle, Washington 98108
(206) 767-5011

Weisfield's, Inc.

Officers: Herman Blumenthal, chairman & chief executive officer; Leslie Rosenberg, president & chief operating officer; Jerry Denning, v.p.-operations, Southern Region; Gerald A. Prosio, treasurer & chief financial officer; E. Robert Nelson, v.p., gen. counsel & secretary.

Directors: Herman Blumenthal, Leslie Rosenberg, Daniel Baty, Thomas Foster, David C. Wyman.

Business Activities: Operates Weisfield's Jewelry Stores in California, Washington, Oregon, Nevada, Arizona, Colorado, Alaska, Maryland and Virginia.

Transfer Agent(s):

First Jersey Shareholder Services

Stock Exchange(s): Over-the-Counter

Ticker Symbol: WEIS (NASDAQ)

Number of Stores: (at fiscal year end)

1988	82	1985	79
1987	79	1984	78
1986	82		

Sales & Earnings

	Revenues +	Net Income
1988	$ 54,906,000	$ 1,447,000
1987	50,640,000	1,300,000
1986	48,847,000	1,831,000
1985	45,949,000	1,812,000
1984	45,049,000	2,117,000

	No. of Com. Shares †	Earn. per Share †
1988	1,090,119	$ 1.32
1987	1,095,694	1.19
1986	1,095,732	1.52
1985	1,303,834	1.39
1984	1,305,870	1.62

+ Of continuing operations only.
† Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend †	Stock Dividend	Stock Split
1988	$ 0.50	—	—
1987	0.50	—	—
1986	0.50	—	—
1985	0.50	—	—
1984	0.40	—	2-for-1

† Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share †
1988	$ 21,424,000	$ 19.65
1987	20,637,000	18.83
1986	19,886,000	18.15
1985	21,439,000	16.44
1984	20,304,000	15.55

† Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Income Account

Year ended Jan. 31	1988	1987
Net sales	$ 54,823,000	$ 50,540,000
Other revenues	83,000	100,000
Revenue	$ 54,906,000	$ 50,640,000
Cost of sales	24,872,000	22,228,000
Expenses	19,415,000	18,541,000
Rentals	4,127,000	3,858,000
Depreciation & amortization	1,847,000	1,715,000
Interest expense	926,000	787,000
Prov. for doubtful accts.	1,205,000	974,000
Income before taxes	$ 2,514,000	$ 2,537,000
Income taxes	1,067,000	1,237,000
Net Income	$ 1,447,000	$ 1,300,000

Assets

As of Jan. 31	1988	1987
Cash	$ 103,000	$ 137,000
Accts. receiv., net	18,918,000	15,323,000
Other receiv.	897,000	749,000
*Inventories	19,679,000	16,118,000
Prepaid expenses	382,000	452,000
Current Assets	$ 39,979,000	$ 32,779,000
#Fixed assets	9,262,000	8,185,000
Other assets	—	4,000
Total Assets	$ 49,241,000	$ 40,968,000

Liabilities

Notes payable	$ 8,800,000	$ 1,775,000
Long-term debt, curr.	1,000,000	1,000,000
Oblig. under cap. leases, curr.	49,000	44,000
Notes & trade acceptances payable	1,370,000	1,016,000
Accts. payable & accrued expenses	7,536,000	5,916,000
Accruals	1,411,000	1,365,000
Other taxes	439,000	761,000
Income taxes	2,286,000	4,802,000
Curr. Liabilities	$ 22,891,000	$ 16,679,000
Long-term debt	2,500,000	3,500,000
Oblig. under cap. leases	102,000	152,000
Deferred income taxes	2,324,000	—
+Common stock	2,391,000	2,391,000
Add. paid-in capital	438,000	438,000
Retained earnings	20,310,000	19,409,000
Treasury stock	(1,715,000)	(1,601,000)
Total Liabilities & Shareholders' Equity	$ 49,241,000	$ 40,968,000

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $2 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.59	5.02
%Net Income to Sales	2.64	2.57
%Net Income to Equity	6.75	6.30
Sales to Inventories	2.79	3.14
Debt to Equity	0.58	0.31
Working Capital	$ 17,088,000	$ 16,100,000
Current Ratio	1.75	1.97
Shareholders' Equity	$ 21,424,000	$ 20,637,000

Western Auto Supply Company

(Acquired by Sears, Roebuck & Co. in April 1988.)

2107 Grand Avenue
Kansas City, Missouri 64108
(816) 346-4000

Officers: John T. Lundegard, chairman & chief exec. officer; Kenneth L. Brown, sr. v.p.-finance & administration; Leo D. Carney, v.p. & treasurer; Patrick W. Semegen, v.p., secretary & counsel; Robert K. Washburn, v.p.-corp. systems; Terry S. McCoy, v.p.-consumer credit; Carl Mahan, v.p.-distribution services; John F. Barlow, pres.-Retail Division; Terry R. Kuntz, v.p.-Western Retail Division; Guy W. Hulsey, v.p.-Eastern Retail Division; Douglas R. Maehl, v.p.-Automotive Division; Don P. Giles, v.p.-store development; John R. Leach, pres.-Wholesale Division; Vernon R. Brown, v.p.-sales (West); J. Ron Calabrese, v.p.-sales (East); Chuck E. Hutchens, v.p.-Home Division; J. Michael Riggan, v.p.-advertising & sales promotion; Berry G. Baldridge, v.p.-wholesale credit.

Directors: John T. Lundegard, chairman; John F. Barlow, Kenneth L. Brown, Hugh J. Byrnes, Raymond G. Chambers, Roger L. Galassini, J. Eric Helsing, Julius Kippelman, John R. Leach, Michael J. Rosenthal, David Stanley, Chester B. Vanatta, Frank E. Walsh, Jr..

Business Activities: The Company, through its 253 company-owned retail stores and 1,744 independently owned and operated associate dealer stores, sells automotive aftermarket products in 46 states and Puerto Rico. Principal products include auto parts, tires, batteries, chemicals and accessories, as well as home and leisure products.

Divisions and Subsidiaries:

Tire America Division
Operates 52 Tire America retail stores located primarily in 10 Middle Atlantic and Midwestern states. Also engages in wholesale distribution of tires.

Midland International Division
Distributes industrial two-way radio communications products.

Eva Gabor International Ltd.
Distributes wigs.

Number of Stores: *

1986	305

* Company-owned.
NOTE: On Dec. 20, 1985, the Company was acquired by persons associated with Wesray Capital Corp. and certain officers of the Company. In January 1987, the Company completed an initial public offering of its common stock.

Sales & Earnings

	Net Sales †	Net Income #
1986 * +	$ 759,751,000	$ 2,941,000
1985 x	721,462,000	21,347,000
1984 x	697,715,000	16,616,000
1983 x	650,319,000	15,555,000
1982 x	599,695,000	12,568,000

	No. of Com. Shares ‡ ‡	Earn. per Share ‡
1986 * +	6,616,250	$ 0.44
1985 x	1,000	—

* 53 weeks.
+ Post acquisition.
x Pre-acquisition.
† Includes other revenue.
‡ ‡ Adjusted to reflect stock split.
# Including extraordinary gains of $441,000 in 1985, $753,000 in 1983 and $1,047,000 in 1982.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1986	—	—	6.7-for-1

Common Stock Equity

	Total Equity	Equity Per Share ‡
1986 +	$ 161,000,000	$ 24.33
1985 x	210,528,000	—
1984 x	186,139,000	—
1983 x	184,498,000	—
1982 x	182,943,000	—

+ Post acquisition.
x Pre-acquisition.
‡ Adjusted to reflect stock split.

Income Account * (000's)

Year ended	1/3/87	12/20/85 +
Net sales	$ 759,751	$ 721,462
Cost of sales	556,490	557,883
Expenses	156,443	126,243
Interest expense	31,745	8,138
Gain on sale of real estate	—	(8,140)
Income before taxes	$ 15,073	$ 37,338
Income taxes	7,260	16,432
Net Income	$ 7,813	$ 20,906
Extraord. gain	—	441
Net Income & Extraord. gain	$ 7,813	$ 21,347

* Included in Costs and Expenses, Depreciation and Amortization: $9,132,000 in 1986 and $7,481,000 in 1985.
+ Pre-acquisition.

Assets (000's)

As of	1/3/87	12/20/85
Cash	$ 5,130	$ 32,388
Accts. receiv., net	205,417	157,740
Eq. in receiv. sold to Benef.	—	3,241
* Inventories	133,091	114,711
Prepaid expenses	9,804	17,901
Current Assets	$ 353,442	$ 325,981
# Fixed assets	66,450	52,272
Note receiv. from related party	5,297	5,775
Other assets	194	469
Total Assets	$ 425,383	$ 384,497

Liabilities (000's)

Notes payable & long-term debt, curr.	$ 29,132	$ 9,148
Accts. payable	68,247	49,288
Income taxes	6,055	—
Payable to Beneficial	—	51,551
Other current liabilities	43,058	54,369
Curr. Liabilities	$ 146,492	$ 164,356
Long-term debt	248,508	—
Deferred inc. taxes	3,852	8,069
Deferred gain on sale of real est.	—	1,544
Other liabilities	4,989	—
Redeem. preferred stock	21,381	—
+ Common stock	66	100
Add. paid-in capital	5,904	77,349
Retained earnings (deficit)	(5,809)	133,079
Total Liabilities & Shareholders' Equity	$ 425,383	$ 384,497

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value; no par value in 1985.

Statistical Summary

%Income bef. Taxes to Sales	1.98	5.18
%Net Income to Sales	1.03	2.90
%Net Income to Equity	—	9.93
Sales to Inventories	5.71	6.29
Debt to Equity	—	0.04
Working Capital	$ 206,990,000	$ 161,625,000
Current Ratio	2.41	1.98
Shareholders' Equity	$ 161,000,000	$ 210,528,000

Wetterau Incorporated

8920 Pershall Road
Hazelwood, Missouri 63042
(314) 524-5000

Officers: Ted C. Wetterau, chairman and chief executive officer; Robert K. Crutsinger, president and chief operating officer; John D. Ryan, exec. v.p.; Robert J. Livingston, exec. v.p.; George H. Thomazin, exec. v.p.; Robert E. Mohrmann, exec. v.p.; George Chirtea, sr. v.p.; Dick N. Dalton, sr. v.p.; Leroy Holdman, sr. v.p.; A. J. Muehlman, sr. v.p.; W. Robert Tannehill, sr. v.p.; Robert L. Pomeroy, sr. v.p.; Donald D. Bennett, sr. v.p.; Matthew M. McCarthy, first v.p., gen. counsel and secretary; Roger D. Beard, v.p.-data processing; Kurt D. Blumenthal, sr. v.p.-finance; Andrew Levy, sr. v.p.-human resources; Charles A. Gauen, first v.p.-risk management; Lawrence C. Hild, v.p. and asst. secretary; Ronald S. Humiston, v.p.-public relations; Joseph W. Lintzenich, v.p.-air transportation; William E. Patton, first v.p.-property and facilities; Michael L. Waitukaitis, first v.p.; Willis F. Bellar, first v.p.; C. Hembrow, first v.p.; Harlan W. Idel, treasurer; James V. Mroczkowski, first v.p.; Andrew P. Blassie, v.p.; Denis C. Duker, v.p.-labor relations; William B. Winkeler, v.p. & controller; A. Sue Rea, asst. secretary.

Directors: Ted C. Wetterau*, chairman; Clarence C. Barksdale, Raymond A. Bartolacci*, Paul A. Cox*, Robert K. Crutsinger*, Gene K. Davis, John J. Goebel*, John B. Higdon, Robert F. Hyland, Milton F. Lewis*, Robert J. Livingston*, Robert E. Mohrmann*, Richard C. Nieman*, John D. Ryan*, Stanley Simon*, George H. Thomazin*, Leonard V. Waldron*, T. Conrad Wetterau, Mark S. Wetterau.

* Member of the Executive Committee

Business Activities: The Company ranks as one of the largest food wholesalers in the country. Its 20 food distribution centers serve nearly 2,500 IGA, Foodland, Save-A-Lot and other retailers in 28 states. Other company subsidiaries and divisions provide a wide range of support services and products -- general merchandise, insurance, transportation, bakery products, construction, printing, finance, training, data processing and communication services. In the retail area, the Company operates 135 stores, including supermarkets, combination stores, department stores, drugstores, and health food stores in 12 states.

Divisions and Subsidiaries:

Trans Continental Leasing, Ltd.
St. Louis, Missouri

Food Lane Supermarkets
Shop 'N Save Warehouse Stores
Milgram Supermarkets
Lanaco Stores
Bright Department Stores
Lane Department Stores
Carriage Drugs
Just be Natural Stores
Food Arena Supermarkets
Harvest Markets Supermarket
Save-A-Lot Stores
Save and Pack Supermarkets
Spee-D Mart Stores
Super Dollar Store
CR Pharmacies
Glenn-Wohlberg & Company

Foodland Distributors
Livonia, Michigan

Wetterau Builders, Inc.
Hazelwood, Missouri

Wetterau Insurance Co., Ltd.
Hamilton, Bermuda

Wetterau Printing Division
Hazelwood, Missouri

Wetterau Finance Co.
Hazelwood, Missouri

Wetterau Information Services Division
Florissant, Missouri

Creative Management Institute
Hazelwood, Missouri

Wetterau Communications Services
Hazelwood, Missouri

Hazelwood Farms Bakeries, Inc.
Atlanta, Georgia; Hazelwood, Missouri; McMinnville, Oregon

Transfer Agent(s):

Centerre Trust Company of St. Louis
510 Locust Street
P.O. Box 14768
St. Louis, Missouri 63178

Stock Exchange(s): Over-the-Counter

Ticker Symbol: WETT (NASDAQ)

Number of Stores: (at fiscal year end)

1987	135	1985	85
1986	65	1984	56

Sales & Earnings

	Net Sales	Net Income
1988	$ 4,155,861,000	$ 38,565,000
1987	3,842,182,000	35,040,000
1986	3,482,315,000	31,825,000
1985	3,100,661,000	26,556,000
1984	2,684,057,000	22,151,000

	No. of Com. Shares +	Earn. per Share ‡
1988	24,330,000	$ 1.58
1987	24,493,000	1.41
1986	26,175,000	1.45
1985	21,079,000	1.25
1984	21,264,000	1.03

+ Adjusted to reflect stock split.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues by Line of Business

	1988	1987
Food distribution	$ 3,889,576,000	$ 3,634,822,000
Industries	266,285,000	207,360,000
Total	$ 4,155,861,000	$ 3,842,182,000

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1988	$ 0.52	—	2-for-1
1987	0.51	—	—
1986	0.47	—	—
1985	0.43	—	—
1984	0.40	—	—

‡ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	$ 213,927,000	$ 8.79
1987	209,861,000	8.57
1986	243,127,000	9.05
1985	171,963,000	8.16
1984	156,803,000	7.37

‡ Adjusted to reflect stock split.

Income Account * (000's)

Year ended	4/2/88	3/28/87
Net sales	$ 4,155,861	$ 3,842,182
Other income	44,222	34,007
Total income	$ 4,200,083	$ 3,876,189
Cost of sales	3,363,276	3,492,185
Expenses	359,174	310,753
Interest expense	16,348	13,116
Income before taxes	$ 61,285	$ 60,135
Income taxes	25,421	27,715
Earn. of nonconsol. subsid.	(2,701)	(2,420)
Net Income	$ 38,565	$ 35,040

* Included in Costs and Expenses, Depreciation and Amortization: $32,810,000 in 1988 and $29,823,000 in 1987.

Assets (000's)

As of	4/2/88	3/28/87
Cash	$ 38,625	$ 32,360
Accts. receiv., net	114,463	93,598
*Inventories	277,487	227,372
Prepaid expenses	20,530	15,532
Current Assets	$ 451,105	$ 368,862
Due from nonconsol. subsid.	6,111	7,003
Notes receivable	24,441	21,740
Invest. in nonconsol. subsid.	229,220	218,475
#Fixed assets	41,640	33,117
Other assets	46,263	33,564
Total Assets	$ 798,780	$ 682,761

Liabilities (000's)

Short-term borr.	$ 7,305	$ 7,206
Long-term debt & cap. lease oblig., curr.	6,882	5,972
Accts. payable	211,798	159,296
Checks outstanding	37,673	23,797
Accruals	64,688	56,107
Income taxes	680	5,839
Curr. Liabilities	$ 329,026	$ 258,217
Long-term debt & cap. lease oblig.	220,956	191,108
Deferred inc. taxes	18,689	18,846
Other liabilities	16,182	4,729
+Common stock	27,045	13,523
Add. paid-in capital	122,631	119,468
Retained earings	140,394	131,190
Loan of ESOP	(515)	(3,025)
Treasury stock	(34,828)	(51,295)
Total Liabilities & Shareholders' Equity	$ 798,780	$ 682,761

* At lower of cost (LIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	1.47	1.57
%Net Income to Sales	0.93	0.91
%Net Income to Equity	18.03	16.70
Sales to Inventories	14.98	16.90
Debt to Equity	1.10	0.97
Working Capital	$ 122,079,000	$ 110,645,000
Current Ratio	1.37	1.43
Shareholders' Equity	$ 213,927,000	$ 209,861,000

Weyenberg Shoe Manufacturing Company

P.O. Box 1188
234 East Reservoir Avenue
Milwaukee, Wisconsin 53201

Officers: Thomas W. Florsheim, chairman of the board and chief exec. officer; Robert Feitler, president; James F. Gorman, v.p.-sales; Peter S. Grossman, v.p.-sales; Thomas O. McArdle, v.p.-merchandising; Roland L. Keul[illegible] secretary & treasurer; David N. Couper, v.p.-manufacturing.

Directors: Thomas W. Florsheim, chairman; Robert Feitler, Roland H. Wegener, M.A. Pfaelzer, Frederick P. Stratton, Jr., Frank W. Norris.

Business Activities: Manufactures, retails and wholesales men's footwear. Operates a nationwide chain of leased shoe departments and retail shoe stores, including Brass Boot Shoe Stores.

Divisions and Subsidiaries:

Nunn Bush Shoe Co., a wholly owned subsidiary of Weyenberg, manufactures, wholesales and retails men's footwear. Operates leased departments and stores including Brass Boots.

Morgan Hayes division of Nunn Bush retails men's footwear through a chain of stores and leased departments in Texas.

Adler Shoe Shops, Inc., a wholy owned subsidiary of Weyenberg, operates a chain of men's shoe stores in New York.

Retail Division
Stacy-Adams Division
Wholesale Division

Transfer Agent(s):

First Wisconsin Trust Company
Milwaukee, Wisconsin 53202

Stock Exchange(s): Over-the-Counter

Ticker Symbol: WEYS

Number of Stores: (at fiscal year end)

	Leased Depts.	Co-owned Stores
1987	N.A.	N.A.
1986	90	65
1985	83	66
1984	80	67
1983	69	70

N.A.-Not Available.

Sales & Earnings

	Net Sales	Net Income
1987	$ 117,856,011	$ 4,572,894
1986	106,702,862	4,309,671
1985	111,511,922	4,779,056
1984	108,422,459	4,304,600
1983	103,654,281	3,902,973

	No. of Com. Shares †	Earn. per Share †
1987	1,102,988	$ 4.15
1986	1,177,430	3.66
1985	1,193,586	4.01
1984	1,197,830	3.60
1983	1,201,408	3.25

† Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1987	$ 0.72	—	2-for-1
1986	0.71	—	—
1985	0.61	—	—
1984	0.63	—	—
1983	0.60	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	$ 36,522,060	$ 33.11
1986	32,559,336	27.65
1985	32,482,631	27.21
1984	28,907,672	24.13
1983	25,441,172	21.18

‡ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Income Account *

Year ended Dec. 31	1987	1986
Net sales	$ 117,856,011	$ 106,702,862
Cost of sales	77,645,448	69,420,971
Expenses	33,162,000	30,001,125
Oper. profit	$ 7,048,563	$ 7,280,766
Interest expense	181,594	121,972
Interest & other income	(894,925)	(643,877)
Income before taxes	$ 7,761,894	$ 7,802,671
Income taxes	3,189,000	3,493,000
Net Income	$ 4,572,894	$ 4,309,671

* Included in Costs and Expenses, Depreciation and Amortization: $1,028,568 in 1987 and $1,083,178 in 1986.

Assets

As of Dec. 31	1987	1986
Cash	$ 7,446,298	$ 9,053,461
Accts. receiv., net	18,628,826	16,440,068
*Inventories	19,830,884	12,815,122
Current Assets	$ 45,906,008	$ 38,308,651
Investments	931,501	349,278
#Fixed assets	4,298,019	4,832,393
Total Assets	$ 51,135,528	$ 43,490,322

Liabilities

Accts. payable	$ 5,139,790	$ 3,075,289
Dividend payable	197,499	199,026
Accruals	4,503,783	2,839,031
Income taxes	328,256	965,400
Curr. Liabilities	$ 10,169,328	$ 7,078,746

Deferred inc. taxes	3,288,000	3,006,000
Deferred compensation	1,156,140	846,240
+Common stock	837,678	1,335,182
+Class B common stock	267,960	—
Add. paid-in capital	1,102,100	—
Retained earnings	34,314,322	51,071,624
Treasury stock	—	(19,847,470)
Total Liabilities & Shareholders' Equity	$ 51,135,528	$ 43,490,322

* At LIFO cost.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	6.59	7.31
%Net Income to Sales	3.88	4.04
%Net Income to Equity	12.52	13.24
Sales to Inventories	5.94	8.33
Working Capital	$ 35,736,680	$ 31,229,905
Current Ratio	4.51	5.41
Shareholders' Equity	$ 36,522,060	$ 32,359,336

Wherehouse Entertainment, Inc.

(Acquired by Adler & Shaykin through a leveraged buyout on Feb. 23, 1988).

19701 Hamilton Avenue
Torrance, California 90502-1311
(213) 538-2314

Officers: Louis A. Kwiker, president & chief executive officer; Richard H. Chapin, sr. v.p. & chief financial officer; Mary A. Keller, sr. v.p.-corp. development & secretary; Scott Young, sr. v.p.-marketing; Leonard O. Velick, v.p.-financial planning & treasurer; Barbara C. Waalkes, v.p.-store operations; Gary Leonhard, sr. v.p. & gen. mdse. mgr.; Kelly Conway, v.p.-advertising; Jesse Stancarone, v.p.-management information systems.

Directors: Louis A. Kwiker, Lawrence K. Harris, Donald E. Martin, George A. Smith, Joel D. Tauber, Michael T. O'Kane.

Business Activities: Specialty retailer of home entertainment and information software, including prerecorded music and compact discs, video movies and music, blank video and audio tape and personal and home computer software. The majority of stores are in California with the remainder in neighboring states.

Number of Stores: (at fiscal year end)

1986	195	1984	134
1985	155	1983	126

Sales & Earnings

	Revenue	Net Income
1987	$ 225,357,000	$ 5,211,000
1986	108,590,000	4,886,000
1985	137,777,000	6,374,000
1984	105,542,000	4,467,000
1983	82,810,000	2,148,000

	No. of Com. Shares #	Earn. per Share #
1987	9,017,000	$ 0.58
1986*	9,015,000	0.54
1985	8,151,000	0.78
1984	7,280,000	0.61
1983	5,967,000	0.36

* 7 months
# Based on the weighted average number of common shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	—	—	5-for-4
1986	—	—	5-for-4
1985	—	—	5-for-4

Based on the weighted average number of common shares outstanding adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share #
1987	$ 56,568,000	$ 6.27
1986	52,890,000	5.87
1985	48,773,000	5.98
1984	21,635,000	2.97
1983	7,565,000	1.27

Based on the average number of common shares outstanding adjusted to reflect stock splits.

Income Account *

Year ended Jan. 31	1987	1986
Revenues	$ 225,357,000	$ 108,590,000
Cost of sales	116,776,000	60,305,000
Amort.of video rental taxes	13,839,000	4,365,000
Expenses	81,064,000	36,426,000
Interest expense	4,778,000	833,000
Interest & other inc.	(1,473,00)	(338,000)
Income bef. taxes	$ 10,373,000	$ 6,999,000
Income taxes	5,162,000	2,113,000
Net Income	$ 5,211,000	$ 4,886,000

* Included in Costs and Expenses, Depreciation and Amortization: $7,476,000 in 1987 and $2,401,000 in 1986.

Assets

As of Jan. 31	1987	1986
Cash	$ 2,387,000	$ 923,000
Receivables, net	5,381,000	44,733,000
*Inventories	89,573,000	54,479,000
Video rental tapes	28,975,000	25,927,000
Prepaid income taxes	3,919,000	1,285,000
Prepaid expenses	2,857,000	1,683,000
Current Assets	$ 133,092,000	$ 89,030,000
#Fixed assets	55,635,000	27,998,000
Intangibles	6,754,000	—
Other assets	4,072,000	1,336,000
Total Assets	$ 199,553,000	$ 118,364,000

Liabilities

Notes payable	$ 23,500,000	—
Long-term debt, curr.	5,084,000	2,209,000
Accts. payable	38,258,000	49,390,000
Accruals	2,737,000	3,617,000
Other taxes	1,451,000	975,000
Income taxes	673,000	731,000
Curr. Liabilities	$ 71,703,000	$ 56,922,000
Long-term debt	18,376,000	9,041,000
Convert. subord. deben.	50,000,000	—
Deferred inc. taxes	2,906,000	511,000
+Common stock	90,000	72,000
Add. paid-in capital	29,409,000	29,336,000
Retained earnings	29,568,000	24,357,000
Treasury stock	(2,499,000)	(875,000)
Total Liabilities & Shareholders' Equity	$ 199,553,000	$ 118,364,000

* At lower of cost (LIFO and FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.60	6.45
%Net Income to Sales	2.31	4.50
%Net Income to Equity	9.21	9.24
Sales to Inventories	2.52	1.99
Debt to Equity	0.41	0.19
Working Capital	$ 61,389,000	$ 32,108,000
Current Ratio	1.86	1.56
Shareholders' Equity	$ 56,568,000	$ 52,890,000

Wicke's Companies, Inc.

3340 Ocean Park Boulevard
P.O. Box 4056
Santa Monica, California 90405
(213) 452-0161

Officers: Sanford C. Sigoloff, chairman of the board, president & chief exec. officer; Wilhelm A. Mallory, sr. exec. v.p. & chief financial officer; Lawrence P. Friedman, sr. v.p.-human resources; Seymour Strasberg, sr. v.p.-strategic planning; Ronald D. Strongwater, sr. v.p.-real estate; James M. Van Tatenhove, sr. v.p.-administration; James N. Castleberry, v.p.-controls evaluation and compliance; Michael S. Sitrick, sr. v.p.-communications; Michael Jamieson, v.p. & controller; Ervin J. Bolka, v.p. & treasurer; Alvin G. Segal, sr. v.p., general counsel & secretary; Raymond J. Byrne, v.p.; Robert S. Fenton, v.p.-tax; Bill J. Mann, v.p.-data services.

Directors: Sanford C. Sigoloff, chairman; Rita E. Hauser, Ellsworth L. Johnson, Preston Silbaugh, Wilhelm Mallory, Sanford Kaplan, Peter Sweet, Edmund M. Kaufman.

Business Activities: Through its Builders Emporium subsidiary, the Company operates 99 home improvement centers in California; and 24 home improvement stores in Nevada, Arizona, New Mexico, and Texas under the "Ole's," "Cashway" and "Allwoods" names. Through its Orchard Supply Hardware division, the Company operates a chain of 29 hardware stores in northern California serving both the do-it-yourself and commercial markets. Retail furniture operations are conducted through Wickes Furniture, which sells home furnishings through 20 warehouse showrooms and two budget and clearance centers.

Other business activities include the manufacture of upholstery, textiles and wallcovering through Collins & Aikman Corporation; the distribution of automotive parts; the manufacture of a wide range of electrical/electronic products; and finance activities.

Divisions and Subsidiaries:

Builders Emporium
2162 Michelson Drive
Irvine, California 92715
(714) 975-0808

Wickes Furniture
351 West Dundee Road
Wheeling, Illinois 60090
(312) 541-0100

WCI Financial Corp.
351 West Dundee Road
Wheeling, Illinois 60090
(312) 541-0100

Collins & Aikman Corporation
210 Madison Avenue
New York, New York 10016
(212) 578-1200

Orchard Supply Hardware

Transfer Agent(s):

The Bank of New York
90 Washington Street
New York, New York 10286

Stock Exchange(s): New York

Ticker Symbol: WIX

Number of Stores: (at fiscal year end)

1987	174	1985	800
1986	385	1984	2,000

Sales & Earnings

	Net Sales + (000's)	Net Income # (000's)
1988	$ 3,476,861	$ 180,511
1987	2,147,879	83,750
1986	939,360	76,130
1985	323,044	296,516
1984	299,404	24,[illegible]

	No. of Com. Shares ‡	Earn. per Share ‡ #
1988	47,815,000	$ 3.68
1987	39,770,000	1.65
1986	19,662,000	2.35
1985	2,922,000	101.48
1984	2,877,000	8.62

+ Of continuing operations only.
# Including extraordinary gains of $42,988,000 ($0.90 per share) in 1988, $9,861,000 ($0.25 per share) in 1987, $35,482,000 ($1.81 per share) in 1986, $279,522,000 ($95.65 per share) in 1985 and $11,618,000 ($4.05 per share) in 1984.
‡ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect reverse stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	—	—	1-for-5

Common Stock Equity

	Total Equity (000's)	Equity Per Share +
1988	$ 1,191,216 ‡	$ 24.91
1987	1,011,022 ‡	25.42
1986	516,902 ‡	26.29
1985	340,333	116.47
1984	(207,680)	—

(Deficiency)
‡ After allowing for preferred stock at liquidation value of $40 per share.
+ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect reverse stock split.

Income Account
(000's)

Year ended	1/30/88	1/31/87
Net sales	$ 3,476,861	$ 2,147,879
Cost of sales	2,504,057	1,489,271
Expenses	698,572	517,905
Interest expense	205,124	109,545
Gain on sale of eq. secur.	—	(38,412)
Income before taxes	$ 69,108	$ 69,570
Income taxes	27,531	21,174
Income-cont. oper.	$ 41,577	$ 48,396
Income-discont. oper.	95,946	25,493
Net Income	$ 137,523	$ 73,889
Extraordinary gain	42,988	9,861
Net Income & extraord. gain	$ 180,511	$ 88,750

* Included in Costs and Expenses, Depreciation and Amortization: $119,768,000 in 1988 and $62,703,000 in 1987.

Assets
(000's)

As of	1/30/88	1/31/87
Cash & short-term invest.	$ 51,292	$ 158,424
Receiv., net	581,827	799,473
*Inventories	645,865	1,093,584
Assets of discont. oper.	647,130	20,343
Other curr. assets	81,697	78,847
Current Assets	$ 2,007,811	$ 2,150,671
#Fixed assets	766,905	1,023,105
Other assets	125,195	149,450
Investments & other receiv.	59,433	41,197
Purch. price in exc. of assets. acq.	1,064,736	1,052,442
Total Assets	$ 4,024,080	$ 4,416,865

Liabilities
(000's)

Notes payable	$ 267,811	$ 25,185
Long-term debt	360,058	25,470
Accts. payable	273,988	397,185
Accruals	343,220	497,485
Other liabilities	21,895	9,673
Curr. Liabilities	$ 1,266,972	$ 954,998
Long-term debt	1,358,295	2,256,353
Cap. lease oblig.	50,253	56,596
Deferred inc. taxes	112,094	92,646
+Preferred inc. taxes	181	181
+Common stock	4,777	23,905
Add. paid-in capital	976,768	958,699
Retained earnings	236,488	60,501
For. curr. trans. adjust.	18,252	12,986
Total Liabilities & Shareholders' Equity	$ 4,024,080	$ 4,416,865

* At lower of cost (FIFO), average or retail) or market, not in excess of net realizable value.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Net Income to Equity	11.12	7.00
Sales to Inventories	5.38	1.96
Debt to Equity	1.65	2.24
Working Capital	$ 740,839,000	$ 1,195,673,000
Current Ratio	1.58	2.25
Shareholders' Equity	$ 1,236,466,000	$ 1,056,272,000

Wiener Enterprises, Inc.

5725 Powell Street
Harahan, Louisiana 70123
(504) 733-7055

Mailing address:
P.O. Box 23607
New Orleans, Louisiana 70183

Officers: Philip Birch, chairman of the board; David D. de Carle, vice chairman of the board; Martin E. Lewis, president & chief executive officer; Norris J. Gremillion, exec. v.p.; J. Michael Doherty, sr. v.p., secretary and treasurer; John W. E. Sharp, exec. v.p.; J. Randy Ferguson, sr. v.p.; Frank C. Shows, v.p.

Directors: Philip Birch*, chairman; David D. de Carle*, Norman J. Gremillion*, Allen A. Copping, Sidney C. Pulitzer, Stanley E. Ellington, Jr., Philip C. Knevil, Dean M. Haulton, C. Gorham Phillips, John W. E. Sharp*.

* Member of the Executive Committee

Business Activities: Operates specialty apparel shops and shoe stores in Louisiana, Texas, Florida, Arkansas, Mississippi and Alabama. These stores operate under the names Shoe Town and Shoe Lodge, Danny's and The Ranch (apparel and shoe operations). Also operates nine "Builderama" building materials retail stores in Georgia and South Carolina.

Subsidiary:

Builderama, Inc.

Transfer Agent(s):

Texas Commerce Bank, N.A.
Texas Commerce Tower - 600 Travis
Houston, Texas 77002

Stock Exchange(s): American

Ticker Symbol: WPB

Number of Stores: (at fiscal year end)

1988	120	1985	101
1987	119	1984	88
1986	112		

Sales & Earnings

	Net Sales	Net Income †
1988	$ 84,711,000	$ 847,000
1987	75,381,000	1,407,000
1986	58,194,000	1,996,000
1985	55,413,000	3,150,000
1984	51,054,000	3,050,000

	No. of Com. Shares +	Earn. per Share ‡ †
1988	2,336,000	$ 0.36
1987	2,336,000	0.60
1986	2,336,000	0.85
1985	2,336,000	1.35
1984	2,318,000	1.32

† Including extraordinary gain of $530,000 ($0.23 per share) in 1984.
+ Adjusted to reflect stock split.
‡ Based on the weighted average number of common shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1988	$ 0.40	—	—
1987	0.40	—	—
1986	0.40	—	—
1985	0.44	—	—
1984	0.035	—	2-for-1

‡ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1988	$ 15,249,000	$ 6.53
1987	15,336,000	6.56
1986	14,863,000	6.36
1985	13,801,000	5.91
1984	11,642,000	5.03

‡ Adjusted to reflect stock split.

Income Account *

Year ended	1/30/88	1/31/87
Net sales	$ 84,711,000	$ 75,381,000
Cost of sales	49,571,000	43,999,000
Expenses	32,617,000	28,090,000
Interest expense	1,056,000	661,000
Income before taxes	$ 1,467,000	$ 2,631,000
Income taxes	620,000	1,224,000
Net Income	$ 847,000	$ 1,407,000

* Included in Costs and Expenses, Depreciation and Amortization: $2,135,000 in 1988 and $1,991,000 in 1987.

Assets

As of	1/30/88	1/31/87
Cash	$ 859,000	$ 505,000
Receiv., net	2,709,000	2,011,000
*Merchandise inventory	19,168,000	19,354,000
Prepaid expenses	679,000	488,000
Current Assets	$ 23,415,000	$ 22,358,000
Other assets	275,000	242,000
#Fixed assets	7,210,000	7,879,000
Intangibles	3,038,000	2,802,000
Total Assets	$ 33,938,000	$ 33,281,000

Liabilities

Notes payable	$ 4,931,000	$ 3,599,000
Long-term debt, curr.	57,000	50,000
Accts. pay. & accruals	5,680,000	6,345,000
Curr. Liabilities	$ 10,668,000	$ 9,994,000
Other liabilities	645,000	517,000
Long-term debt	7,376,000	7,434,000
+Common stock	2,336,000	2,336,000
Add. paid-in capital	66,000	66,000
Retained earnings	12,847,000	12,934,000
Total Liabilities & Shareholders' Equity	$ 33,938,000	$ 33,281,000

* At lower of cost or market as determined by the retail method.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	1.73	3.49
%Net Income to Sales	1.20	1.87
%Net Income to Equity	5.55	9.17
Sales to Inventories	4.42	3.89
Debt to Equity	0.81	0.72
Working Capital	$ 12,747,000	$ 12,364,000
Current Ratio	2.19	2.24
Shareholders' Equity	$ 15,349,000	$ 15,336,000

The William Carter Company

963 Highland Avenue
Needham Heights, Massachusetts 02194
(617) 444-7500

Officers: Manson H. Carter, chairman of the board & chief exec. officer; Richard G. Holland, Jr., president & chief operating officer; James B. Hayman, sr. v.p.-finance; James F. Mulcahy, Jr., sr. v.p.-sales; Norman A. Cohen, sr. v.p.-manufacturing; William H. Carter, II, sr. v.p.-international; L. Paul Seal, v.p.-human resources; John G. Heald, v.p.-national accounts; Richard P. Kirchner, v.p.-corporate planning; Jeremy R. Serwer, v.p.-Retail Division; Jack M. LaHarpove, v.p.-sales, Southern Region; Robert L. White, v.p.-sales, Midwestern Region; L. Terry Louis, v.p.-sales, Eastern Region; Donald J. Griffin, exec. v.p.-marketing; John A. MacEachern, v.p.-sales, Western Region; Thomas A. Moore, treasurer; Fred L. Morse, asst. treasurer & asst. secretary; Manuel Tarano, controller; Stephen W. Carter, clerk.

Directors: Richard G. Holland, Jr., Dana P. Carter, Manson H. Carter, Richard O. Howe, Richard W. Southgate, James F. Hayman, William H. Carter, II, Donald J. Griffin, Ellis [illegible] Edith.

Business Activities: Engaged in the production and sale of infantswear and playwear, sleepwear and underwear for children, under the brand name of "Carter's." Operates outlet stores which sell irregulars, closeout merchandise, and non-Company products.

Transfer Agent(s):

The William Carter Company
Needham Heights, Massachusetts

Stock Exchange(s): Over-the-Counter.

Number of Stores (at fiscal year end)

1987	58	1984	72
1986	62	1983	62
1985	67		

Sales & Earnings

	Net Sales	Net Income +
1987	$ 199,128,000	$ 5,826,000
1986	184,989,000	206,000
1985	211,453,000	3,063,000
1984	219,230,000	5,543,000
1983	210,000,000	7,585,000

	No. of Com. Shares ‡	Earn. per Share ‡ +
1987	1,733,912	$ 3.36
1986	1,727,732	0.12
1985	1,724,564	1.78
1984	1,717,637	3.23
1983	1,696,723	4.47

+ Including extraordinary gain of $1,751,000 ($1.02 per share) in 1984.
‡ Based on the weighted average number of common shares and common stock equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1987	$ 0.80	—	—
1986	0.80	—	—
1985	0.80	—	—
1984	0.77 1/3	—	3-for-2
1983	0.67 1/3	—	—

‡ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	$ 77,343,000	$ 44.56
1986	72,844,000	42.08
1985	73,900,000	42.83
1984	72,254,000	41.89
1983	67,740,000	39.73

‡ Adjusted to reflect stock split.

Income Account *

Year ended	1/2/88	1/3/87
Net sales	$ 199,128,000	$ 184,989,000
Cost of sales	146,548,000	133,759,000
Expenses	44,350,000	47,950,000
Interest expense	3,678,000	4,004,000
Other income	(539,000)	(999,000)
Income before taxes	$ 5,051,000	$ 275,000
Income taxes	2,551,000	69,000
Cum. effect of change in accntng. meth.	3,326,000	—
Net income	$ 5,826,000	$ 206,000

* Included in Costs and Expenses, Depreciation: $4,888,000 in 1987 and $4,689,000 in 1986.

Assets

As of	1/2/88	1/3/87
Cash	$ 2,347,000	$ 493,000
Short-term invest.	4,500,000	—
Accts. receiv., net	20,344,000	18,168,000
*Inventories	69,205,000	74,068,000
Prepaid expenses	1,586,000	2,833,000
Current Assets	$ 97,882,000	95,562,000
#Fixed assets	29,982,000	31,882,000
Construc. funds held in escrow	381,000	671,000
Cap. leases	3,493,000	3,813,000
Total Assets	$ 131,738,000	$ 131,928,000

Liabilities

Notes payable	$ 2,771,000	$ 2,836,000
Accts. payable	8,497,000	6,011,000
Accruals	5,999,000	5,545,000
Inc. taxes payable	406,000	—
Other curr. liab.	3,230,000	2,677,000
Curr. Liabilities	$ 20,903,000	$ 17,069,000
Notes payable	28,065,000	34,118,000
Deferred inc. taxes	5,427,000	6,897,000
+Common stock	8,698,000	8,672,000
Add. paid-in capital	286,000	234,000
Retained earnings	68,486,000	64,047,000
Treasury stock	(127,000)	(109,000)
Total Liabilities & Shareholders' Equity	$ 131,738,000	$ 131,928,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $5 par value.

Statistical Summary

%Income bef. Taxes to Sales	2.54	0.15
%Net Income to Sales	2.93	0.11
%Net Income to Equity	7.53	0.28
Sales to Inventories	2.88	2.50
Debt to Equity	0.40	0.51
Working Capital	$ 76,979,000	$ 78,493,000
Current Ratio	4.68	5.60
Shareholders' Equity	77,343,000	72,844,000

Winn-Dixie Stores, Inc.

5050 Edgewood Court
Post Office Box B
Jacksonville, Florida 32203
(904) 783-5000

Officers: Robert D. Davis, chairman of the board; A. Dano Davis, president; F. L. James, exec. v.p.; S. W. Evans*, sr. v.p.; R. J. Holmes*, sr. v.p.; James Kuleidt*, sr. v.p.; C. H. McKellar*, sr. v.p.; T. E. McDonald*, sr. v.p.; T. Wayne Davis, Jr., v.p.; T. N. Alexander, v.p.; O. D. Carpenter, v.p.; J. H. Childers, v.p.; C. Lester Cotton, v.p.; F. W. Hammond, v.p.; D. L. Kinsey, v.p.; L. G. Lisby, v.p.; H. F. Minshew, v.p.; T. H. Moss, v.p.; L. B. Perry, v.p.; C. R. Raulerson, v.p.; L. J. Sadlowski, v.p.; E. T. Walters, v.p.; G. P. Woodard, v.p.; Jack P. Jones, v.p.; R. P. McCook *, v.p.; J. J. Pocnik, v.p.; W. F. Brim, v.p.; C. E. Wings, v.p.; R. J. Ebster, v.p.; H. E. Hess, v.p.; H. E. Miller, v.p.; J. R. Pownall, v.p.; R. A. Sevin, v.p.; B. B. Tripp, v.p.; D. M. Bragin, treasurer; J. Shephard Bryan, Jr., v.p., gen. counsel & secretary; H. S. Wadford, controller; J. W. Critchlow, gen. mgr.-Table Supply Division.

* Member of the Executive Committee

Directors: R. D. Davis*, chairman; James E. Davis*, A. D. Davis*, A. Dano Davis*, T. Wayne Davis, Jr., J. Shepard Bryan, Jr.*, J. C. Pace, Jr., C. W. Waldorf, Radford D. Lovett, Charles P. Stephens, F. L. James*.

* Member of the Executive Committee

Business Activities: Operates Winn-Dixie food stores in Florida, Georgia, North Carolina, South Carolina, Alabama, Mississippi, Louisiana, Virginia, Kentucky, Tennessee, Indiana, Oklahoma and Texas.

Divisions:

Jacksonville Division
5233 Commonwealth Avenue
Jacksonville, Florida 32205

Winn-Dixie Stores, Inc.

Greenville Division
Wade Hampton Boulevard
P.O. Box 1088
Greenville, South Carolina 29602

Montgomery Division
1550 Jackson Ferry Road
P.O. Box 2029
Montgomery, Alabama 36103

Tampa Division
2400 E. Hillsboro Avenue
P.O. Box 440
Tampa, Florida 33601

Atlanta Division
5400 Fulton Industrial Boulevard
P.O. Box 4909
Atlanta, Georgia 30331

Raleigh Division
2201 S. Wilmington Street
P.O. Box 511
Raleigh, North Carolina 27602

Louisville Division
720 Locust Avenue
P.O. Box 17121, Shelby Station
Louisville, Kentucky 40217

New Orleans Division
600 Edwards Avenue
P.O. Box 51509
New Orleans, Louisiana 70150

Charlotte Division
1105 Nevada Boulevard
Post Office Box 10156
Charlotte, North Carolina 28237

Orlando Division
4401 Seaboard Road
Orlando, Florida 32808

Miami Division
1141 S. W. 12th Avenue
Pompano Beach, Florida 33064

Fort Worth Division
5500 S. Freeway
Fort Worth, Texas 76115

Transfer Agent(s):

American Transtech, Inc.
New York, New York
Jacksonville, Florida

Stock Exchange(s): New York

Ticker Symbol: WIN

Number of Stores: (at fiscal year end)

1987	1,271	1984	1,231
1986	1,262	1983	1,210
1985	1,262		

Sales & Earnings

	Net Sales ('000's)	Net Income ('000's)
1987	$ 8,803,899	$ 112,300
1986	8,225,244	116,391
1985	7,774,480	107,895
1984	7,302,369	115,916
1983	7,018,605	113,460

	No. of Com. Shares †	Earn. per Share ‡
1987	41,200,000	$ 2.72
1986	41,300,000	2.84
1985	40,900,000	2.64
1984	41,000,000	2.83
1983	41,900,000	2.72

† Adjusted to reflect stock split.
‡ Based on common shares and common share class B combined adjusted to reflect stock split.

Common Stock

	Cash Dividend‡	Stock Dividend	Stock Split
1987	$ 1.80	—	—
1986	1.74	—	—
1985	1.68	—	—
1984	1.56	—	5-for-3
1983	1.44	—	—

‡ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1987	$ 739,418,000	$ 17.95
1986	704,558,000	17.06
1985	646,777,000	15.81
1984	608,673,000	14.85
1983	582,823,000	13.91

‡ Adjusted to reflect stock split.

Income Account *
('000's)

Year ended	6/24/87	6/25/86
Net sales	$ 8,803,899	$ 8,225,244
Cost of sales	6,867,791	6,371,124
Expenses	1,841,518	1,731,323
Other income	(95,395)	(82,927)
Interest expense	15,736	13,346
Income before taxes	$ 174,249	$ 192,378
Income taxes	61,949	75,987
Net income	$ 112,300	$ 116,391

* Included in Costs and Expenses, Depreciation and Amortization: $163,702,000 in 1987 and $162,300,000 in 1986.

Assets
('000's)

As of	6/24/87	6/25/86
Cash & marketable securities	$ 120,169	$ 180,556
Receiv., net	65,624	73,715
*Inventories	632,137	548,060
Prepaid expenses	33,140	27,359
Current Assets	$ 851,070	$ 829,690
Investments & other assets	31,903	26,191
#Fixed assets	534,758	499,473
Total Assets	$ 1,417,731	$ 1,355,354

Liabilities
('000's)

Accts. payable	$ 319,461	$ 293,888
Accruals	192,771	178,825
Cap. lease oblig. curr.	2,551	2,644
Income taxes	2,008	24,167
Current Liabilities	$ 516,791	$ 499,524
Cap. lease oblig.	78,046	74,102
Other long-term debt	24,585	24,950
Reserve for self-ins.	58,891	52,220
+Common stock	42,299	42,299
Retained earnings	713,832	675,827
Treasury stock	(16,713)	(13,568)
Total Liabilities & Shareholders' Equity	$ 1,417,731	$ 1,355,354

* At lower of cost or market. Merchandise at LIFO; mfg. and produce at FIFO.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	1.98	2.34
%Net Income to Sales	1.28	1.42
%Net Income to Equity	15.19	16.52
Sales to Inventories	13.93	15.01
Debt to Equity	0.11	0.14
Working Capital	$ 334,279,000	$ 330,166,000
Current Ratio	1.65	1.66
Shareholders' Equity	$ 739,418,000	$ 704,558,000

Wisconsin Toy Company, Inc.

710 North Plankinton Avenue
Milwaukee, Wisconsin 53203
(414) 274-2575

Officers: Phillip Cohen, chairman of the board & chief executive officer; Leslie Mendelsohn, president & chief operating officer; Richard M. Wilson, v.p. & president-retail division; Jay Cohen, v.p. & pres.-wholesale division; Armen Bahadurian, v.p.; James B. Young, v.p.; Henry H. Katz, v.p.-retail operations; Hugh S. McManus, v.p., general counsel & secretary; Ronald E. Shelton, v.p.-finance & treasurer..

Directors: Phillip Cohen, chairman of the board; Leslie Mendelsohn, Richard M. Wilson, Jay Cohen, Joseph Zilber, Gerald Stein, James F. Janjz, Fred A. Riebe, Robert B. Siegel, Imre J. Rosenthal.

Business Activities: Operates 29 retail close-out toy stores under the names "Toy Liquidators" or "Toys Unlimited" in 16 states, located primarily in the East and Midwest. Also operates a wholesale close-out toy business.

Transfer Agent(s):

First Bank (N.A.) Milwaukee
203 West Wisconsin Avenue
Milwaukee, Wisconsin 53203

Stock Exchange(s): Over-the-Counter

Ticker Symbol: WTOY (NASDAQ)

Number of Stores: (at fiscal year end)

1988	24	1987	6

Sales & Earnings

	Net Sales	Net Income †
1988	$ 34,997,000	$ 2,330,000
1987	37,466,000	2,844,000
1986	21,964,000	754,000
1985	23,306,000	770,000
1984	23,269,000	810,000

	No. of Com. Shares	Earn. per Share † ‡ +
1988	4,650,000	$ 0.53
1987	3,750,000	0.71

+ Pro forma; unaudited.
† Including extraordinary gain of $567,000 ($0.14 per share) in 1987.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business

	1987	1986
Retail	$ 8,913,000	$ 1,732,000
Wholesale	26,044,000	35,734,000
Total	$ 34,997,000	$ 37,466,000

Common Stock Equity

	Total Equity	Equity Per Share
1988	$ 15,110,000	$ 3.25
1987	5,482,000	1.46
1986	7,638,000	—
1985	6,884,000	—
1984	6,114,000	—

Income Account *

Year ended Feb. 25	1988	1987
Net sales	$ 34,997,000	$ 37,466,000
Cost of sales	22,544,000	26,907,000
Expenses	8,276,000	5,068,000
Interest expense	374,000	861,000
Interest income	(87,000)	(238,000)
Income before taxes	$ 3,890,000	$ 4,868,000
Income taxes	1,570,000	2,591,000
Net income	$ 2,320,000	$ 2,277,000
Extraord. gain	—	567,000
Net income & extraord. gain	$ 2,320,000	$ 2,844,000

* Included in Costs and Expenses, Depreciation and Amortization: $293,000 in 1988 and $190,000 in 1987.

Assets

As of Feb. 28	1988	1987
Cash	$ 791,000	$ 132,000
Accts. receiv., net	4,910,000	6,192,000
*Inventories	12,768,000	8,962,000
Prepaid expenses	305,000	122,000
Current Assets	$ 18,774,000	$ 15,408,000
# Fixed assets	1,408,000	557,000
Other assets	446,000	485,000
Total Assets	$ 20,628,000	$ 16,450,000

Liabilities

Notes payable	$ 1,949,000	$ —
Long-term debt, curr.	—	600,000
Accts. payable	2,191,000	2,042,000
Accruals	861,000	241,000
Accrued income taxes	138,000	—
Curr. Liabilities	$ 5,139,000	$ 2,883,000
Long-term debt	300,000	8,085,000
Deferred income taxes	79,000	—
+Common stock	47,000	38,000
Add. paid-in capital	8,272,000	973,000
Retained earnings	6,791,000	4,471,000
Total Liabilities & Shareholders' Equity	$ 20,628,000	$ 16,450,000

*At lower of cost (FIFO) or market.
Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	11.12	12.99
%Net Income to Sales	6.63	6.08
%Net Income to Equity	15.35	41.54
Sales to Inventories	2.74	4.18
Debt to Equity	0.15	1.58
Working Capital	$ 13,635,000	$ 12,525,000
Current Ratio	3.65	5.34
Shareholders' Equity	$ 15,110,000	$ 5,482,0000

Wolohan Lumber Co.

1740 Midland Road
P. O. Box 3235
Saginaw, Michigan 48605
(517) 793-4532

Officers: David F. Wallace, chairman of the board; James L. Wolohan, president & chief executive officer; Robert F. Anderson, exec. v.p., secretary & chief financial officer; Thomas R. Wolohan, v.p.- corporate development; David G. Hosaman, v.p.-administration; Edward J. Dean, controller; Gary D. Sellers, v.p.-operations; Timothy J. Stein, v.p.-merchandising; James R. Krapohl, treasurer;& asst. secretary.

Directors: David F. Wallace, chairman; Robert F. Anderson, Richard V. Wolohan, James L. Wolohan, Herbert H. Lyon, Hugo E. Braun, Jr., Ervin E. Wardlow.

Business Activities: Operates a chain of building materials retail centers located in Illinois, Indiana, Michigan, Ohio, Wisconsin and Kentucky.

Transfer Agent(s):

National Bank of Detroit
611 Woodward Avenue
Detroit, Michigan 48226

Stock Exchange(s): Over-the-Counter

Ticker Symbol: WLHN (NASDAQ)

Number of Stores: (at fiscal year end)

1987	42	1984	34
1986	39	1983	35
1985	35		

Sales & Earnings

	Net Sales	Net Income
1987	$ 228,614,000	$ 9,010,000
1986	194,351,000	5,278,000
1985	150,732,000	3,492,000
1984	139,171,000	2,632,000
1983	112,358,000	1,348,000

	No. of Com. Shares ‡	Earn. per Share ‡
1987	5,878,000	$ 1.53
1986	5,860,000	0.90
1985	5,853,000	0.60
1984	5,860,000	0.45
1983	5,873,000	0.23

‡ Based on the average number of shares outstanding.

Revenues by Line of Business

	1987	1986	1985	1984
Dimension lumber	14.5%	13.2%	11.9%	11.7%
Sheathing plywood	6.8	6.9	6.9	7.1
Other forest products	15.1	14.6	14.9	14.1
Building materials	17.8	19.2	20.9	21.5
Building hardware	8.2	9.0	8.6	7.9
Home decoration	2.7	2.8	3.3	3.5
Millwork	18.4	17.9	17.7	17.9
Home appliances	3.6	3.7	3.3	3.6
Plumbing, heating & electrical	9.4	9.4	9.6	9.8
Trusses & components	3.5	3.3	2.9	2.9
Total	100%	100%	100%	100%

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1987	$ 0.21	—	—
1986	0.17	—	—
1985	0.16	—	—
1984	0.16	—	—
1983	0.08	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1987	$ 43,031,000	$ 7.36
1986	35,637,000	6.08
1985	31,296,000	5.35
1984	28,740,000	4.91
1983	27,200,000	4.62

Income Account

Year ended Dec. 31	1987	1986
Net sales	$ 228,614,000	$ 194,351,000
Cost of sales	166,555,000	143,914,000
Other income	(2,903,000)	(2,125,000)
Expenses	42,957,000	37,666,000
Depreciation	3,723,000	3,218,000
Interest expense	2,382,000	1,973,000
Income before taxes	$ 15,900,000	$ 9,927,000
Income taxes	6,890,000	4,649,000
Net income	$ 9,010,000	$ 5,278,000

Assets

As of Dec. 31	1987	1986
Cash	$ 2,017,000	$ 1,274,000
Short-term paper	24,247,000	14,926,000
Trade receiv.	11,565,000	11,503,000
* Inventories	21,209,000	18,951,000
Other	379,000	279,000
Current Assets	$ 59,417,000	$ 46,933,000
# Fixed assets	35,396,000	32,447,000
Other assets	1,010,000	1,629,000
Total Assets	$ 95,823,000	$ 81,009,000

Liabilities

Long-term debt, curr.	$ 1,567,000	$ 646,000
Accts. payable	1,427,000	12,543,000
Employee compensation & accruals	7,724,000	7,109,000
Contrib. to profit sharing trust	1,388,000	1,009,000
Income taxes	1,562,000	2,576,000
Curr. Liabilities	$ 23,648,000	$ 23,883,000
Long-term debt	26,353,000	18,826,000
Deferred inc. taxes	2,791,000	2,663,000
+ Common stock	5,947,000	5,893,000
Add. paid-in capital	1,137,000	793,000
Retained earnings	36,880,000	29,105,000
Treasury stock	(933,000)	(154,000)
Total Liabilities & Shareholders' Equity	$ 95,823,000	$ 81,009,000

* At lower of cost (LIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

% Income bef. Taxes to Sales	6.95	5.11
% Net Income to Sales	3.94	2.72
% Net Income to Equity	10.94	14.81
Sales to Inventories	10.78	10.26
Debt to Equity	0.65	0.55
Working Capital	$ 35,769,000	$ 23,050,000
Current Ratio	2.51	1.97
Shareholders' Equity	$ 43,031,000	$ 35,637,000

Woodward Limited

(Formerly Woodward Stores Limited)

101 West Hastings Street
Vancouver, British Columbia, Canada

Woodward Limited

Officers: Charles Namby Wynn Woodward, chairman of the board & chief executive officer; Frank Allen Robertson, president & chief operating officer; Philip Charles McComb, sr. v.p.-Alberta Region; William J. D. Woodward, exec. v.p.; Christopher C. Woodward, sr. v.p.-merchandising; Gregory John Duncan McKinstry, sr. v.p.-finance; Patricia Ann Fisher, v.p.-information services; Richard Michael Freeman, v.p.-stores; Susan Elizabeth O'Connor, v.p.-fashions; Thomas Nicholas Sebal, v.p.-human resources & distribution; Denis Luciano Zuccato, v.p.-home fashions & hardgoods; Larry William Seniowski, controller & secretary; Eric Brian Dempster, asst. secretary.

Directors: Charles Namby Wynn Woodward*, chairman; Charles Reginald Clarridge, William Douglas Haig Gardiner, James Norman Hyland, Philip Charles McComb, Frank Allan Robertson*, John Martin Tennant*, Robert Arthur White*, Margaret Elizabeth Southern, Joseph L. Braithwaite, William J. D. Woodward, Gregory John Duncan McKinstry*, Frances Ruth Olson, Christopher Charles Woodward.

* Member of the Executive Committee

Business Activities: Owns and operates retail outlets in British Columbia and Alberta. There are 25 Woodward's department stores, three Abercrombie & Fitch specialty stores offering high quality casual apparel and sporting goods products, and 20 Woodwynn Stores, offering moderately priced family fashions, linens and bedding.

Subsidiaries:

Woodward Acceptance Company Limited
Abercrombie & Fitch Co. (Canada) Inc.
Locarno Investments Limited
Thirty-one Purchasing Service Limited
Deli Farm Food Processors Limited
Lansdowne Food Fair Services Limited
Woodward Stores (London) Limited

Transfer Agent(s):

Montreal Trust Company
Vancouver, British Columbia; Toronto, Ontario; Calgary, Alberta.

Stock Exchange(s): Montreal, Toronto, Vancouver, Alberta

Ticker Symbol: WDSA

Number of Stores: (at fiscal year end)

1988	48	1985	24
1987	26	1984	26
1986	26		

Sales & Earnings

	Net Sales † ('000's)	Net Income x ('000's)
1988	$ 801,566,000	$ (1,790,000)
1987*	1,126,206,000	(6,733,000)
1986	1,106,547,000	5,272,000
1985	1,078,603,475	2,778,000
1984	1,103,876,333	4,835,000

	No. of Com. Shares	Earn. per Share ‡
1988	17,493,065	$ —
1987*	16,769,588	—
1986	15,861,113	0.34
1985	15,354,821	0.18
1984	15,077,631	0.33

(Loss)
* 53 weeks.
† Including service charges.
x Excluding extraordinary items.
‡ Based on the weighted average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1988	$ 0.25	—	—
1987	0.35	—	—
1986	0.40	—	—
1985	0.50	—	—
1984	0.60	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1988	$ 138,609,000	$ 7.92
1987	141,224,000	8.42
1986	148,436,000	9.36
1985	219,526,000	14.30
1984	194,623,000	12.91

Income Account
('000's)

Year ended	1/30/88 (53 weeks)	1/31/87
Net sales	$ 801,566	$ 1,126,206
Gain on sales	5,844	3,732
Other income	7,129	5,863
Total	$ 814,539	$ 1,135,801
Cost of goods sold	608,784	874,494
General expenses	188,745	246,261
Depreciation & amort.	13,598	15,311
Interest expense	15,399	18,936
Loss before taxes	$ (11,987)	$ (19,201)
Tax credit	(10,197)	(12,468)
Net Loss	$ (1,790)	$ (6,733)
Extraordinary loss	(1,120)	(1,008)
Net Loss & extraord. loss	$ (2,910)	$ (7,741)

Assets
('000's)

As of	1/30/88	1/31/87
Cash	$ 3,017	$ 4,378
Marketable securities	—	5,142
Accts. receiv., net	111,544	97,700
*Inventories	147,979	176,274
Prepaid expenses	1,224	3,296
Current Assets	$ 263,764	$ 286,790
Investments	3,111	3,048
#Fixed assets	55,644	77,683
Assets under cap. leases	11,802	9,143
Def. inc. taxes	26,438	14,418
Other assets	7,403	4,684
Total Assets	$ 368,162	$ 395,766

Liabilities
('000's)

Notes payable	$ 64,492	$ 48,784
Long-term debt, curr. & cap. lease oblig. curr.	6,226	28,795
Accts. payable & accruals	56,608	74,128
Curr. Liabilities	$ 127,326	$ 151,707
Long-term debt	75,575	79,882
Cap. lease oblig.	11,453	9,345
Deferred gain on sale	8,079	11,017
Other accrued liab.	7,120	2,591
+Common stock	25,133	20,651
Add. paid-in capital	1,270	1,270
Retained earnings	112,206	119,303
Total Liabilities & Shareholders' Equity	$ 368,162	$ 395,766

* At lower of cost and net realizable value.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

Sales to Inventories	5.42	6.39
Debt to Equity	1.14	1.18
Working Capital	$ 136,438,000	$ 135,083,000
Current Ratio	2.07	1.89
Shareholders' Equity	$ 138,609,000	$ 141,224,000

F. W. Woolworth Co.

Woolworth Building

233 Broadway
New York, New York 10279
(212) 533-2000

Officers: Harold E. Sells, chairman of the board & chief exec. officer; Frederick E. Hennig, president & chief operating officer; Arnold S. Anderson, exec. v.p.-administration & general counsel; John H. Cannon, v.p. & treasurer; William K. Lavin, exec. v.p. finance & chief financial officer; Joseph F. Carroll, public affairs; Ted M. Annenberg, deputy general counsel; Roy L. Garofalo, investor relations; Aubrey C. Lewis, corporate liaison; C. Jackson Gray, corporate planning & development; Thomas E. Page, controller; Henry C. Miner, III, taxation; Charles T. Young, management information systems; William B. Thomson, secretary; Jacqueline D. Delafuente, asst. v.p. law dept.; James J. O'Neil, asst. v.p. taxation; Michael T. Steven, asst. v.p.; Laura T. Kirsner, asst. controller; Gary M. Bahler, asst. secretary; Christopher J. Hoey, asst. secretary; S. William Manteria, asst. secretary; James J. Pirretti, asst. secretary; George K. Schubert, asst. secretary; Frances E. Trachter, asst. secretary; Alfonso Tino, asst. treasurer.

Directors: Harold E. Sells*, chairman; Fred Kirby*, Seymour H. Knox, III*, Andrew F. Peck*, Margaret P. MacKimm*, John W. Adams*, Jacobin Gilbert, Jr.*, Eugene J. Sullivan*, James E. Preston*, Helen Galland*, John J. Mackowski*, John W. Lynn*, Frederick E. Hennig.

* Member of the Executive Committee

Business Activities: Operates 1,672 general merchandise retail stores under the Woolworth, Woolco, and Mini Shops names throughout the U.S., and in Canada, Mexico, and West Germany. The Company also operates 5,127 specialty stores and store operations include 1,815 Kinney family shoe stores, 1,017 Foot Locker stores, 188 Athletic X-Press athletic footwear stores, 159 Williams the Shoemen family shoe stores, 336 Kids Mart infants' and children's apparel stores, 249 Susie's women's clothing stores, 197 Afterthoughts costume jewelry, handbags and accessories stores, 173 Richman men's and women's apparel stores, 126 Anderson-Little women's and men's clothing stores, 91 Fredelle high-fashion apparel stores, 66 Randy River stores which sell footwear in Australia and men's clothing in Canada; 43 Champs athletic equipment, footwear and activewear stores, 15 Little Folk Shops featuring brand-name infants' and children's apparel, among others.

Divisions and Subsidiaries:

F. W. Woolworth Co. Limited, Canada
F. W. Woolworth Co. G.m.b.H., Germany

Kinney Shoe Corporation
New York, New York

The Richman Brothers Company
Fall River, Massachusetts

The RX Place
Holtzman's Little Folk Shop, Inc.
U. S. Woolworth Division
Woolworth Overseas Corp.
Woolworth Mexicana, S.A. de C.V. (49% owned)

Transfer Agent(s):

Morgan Shareholder Services Trust Company
30 West Broadway
New York, New York 10007

Stock Exchange(s): New York

Ticker Symbol: Z

Number of Stores* (at fiscal year end)

1987	6,799	1984	5,569
1986	6,309	1983	5,276
1985	5,822		

* Includes leased departments.

Sales & Earnings

	Net Sales ‡	Net Income ‡
1987	$ 7,134,000,000	$ 251,000,000
1986	6,501,000,000	214,000,000
1985	5,958,000,000	177,000,000
1984	5,737,000,000	141,000,000
1983	5,456,000,000	118,000,000

	No. of Com. Shares †	Earn. per Share †
1987	66,000,000	$ 3.81
1986	65,000,000	3.25
1985	64,000,000	2.75
1984	63,000,000	2.22
1983	63,000,000	1.86

‡ Includes sales of leased departments; of continuing operations only.
† Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend†	Stock Dividend	Stock Split
1987	$ 1.32	—	—
1986	1.12	—	2-for-1
1985	1.00	—	—
1984	0.90	—	—
1983	0.90	—	—

† Adjusted to reflect stock split.

Common Stock Equity

	Total Equity ‡ (000's)	Equity Per Share †
1987	$ 1,707,000,000	$ 26.54
1986	1,473,000,000	22.49
1985	1,205,000,000	18.80
1984	1,023,000,000	16.34
1983	1,005,000,000	15.96

‡ After allowing for preferred stock at involuntary liquidation value.
† Adjusted to reflect stock split.

Income Account
(000's)

Year ended Jan. 31	1988	1987
Net sales	$ 7,134,000	$ 6,501,000
Other income	43,000	30,000
Total income	$ 7,177,000	$ 6,531,000
Cost of sales	4,714,000	4,287,000
Expenses	1,859,000	1,689,000
Depreciation & amortization	147,000	125,000
Interest expense	51,000	56,000
Income before taxes	$ 406,000	$ 374,000
Income taxes	155,000	160,000
Net income	$ 251,000	$ 214,000

Assets

As of Jan. 31	1988	1987
Cash	$ 259,000	$ 239,000
*Inventories	1,522,000	1,327,000
Other assets	149,000	118,000
Current Assets	$ 1,930,000	$ 1,684,000
#Fixed assets	1,150,000	978,000
Leased prop. under cap. leases	82,000	91,000
Other assets	137,000	97,000
Total Assets	$ 3,299,000	$ 2,850,000

Liabilities

Long-term debt & cap. lease oblig. curr.	$ 19,000	$ 18,000
Accts. payable	654,000	455,000
Accruals	330,000	313,000
Dividends payable	21,000	18,000
Income taxes	60,000	77,000
Curr. Liabilities	$ 1,084,000	$ 881,000
Long-term debt	243,000	248,000
Other liabilities	104,000	90,000
Oblig. under cap. leases	101,000	110,000
Defer. income taxes	51,000	37,000
+Preferred stock	1,000	1,000
++Common stock	250,000	236,000
Retained earnings	1,403,000	1,239,000
Treasury stock	(73,000)	(13,000)
For curr. trans. adj.	135,000	21,000
Total Liabilities & Shareholders Equity	$ 3,299,000	$ 2,850,000

* At lower of cost or market. LIFO for domestic inventories, FIFO for foreign.
# Less accumulated depreciation.
+ $1 par value. $2.20 Series A, convertible.
++ $3 1/3 par value.

Statistical Summary

%Income bef. Taxes to Sales	5.69	5.75
%Net Income to Sales	3.52	3.29
%Net Income to Equity	14.63	14.42
Sales to Inventories	4.69	4.90
Debt to Equity	0.21	0.25
Working Capital	$ 846,000,000	$ 803,000,000
Current Ratio	1.78	1.91
Shareholders' Equity	$ 1,716,000,000	$ 1,484,000,000

Zale Corporation

Executive Offices:
901 West Walnut Hill Lane
Irving, Texas 75038-1003
(214) 580-4000

(Jointly owned by Peoples Jewellers Limited and Swarovski International Holding A. G.)

Officers: Irving R. Gerstein, president & chief executive officer; Jerry W. Daws, sr. v.p.-stores and operations; H. R. Lively, Jr., sr. v.p.-administration; Merrill J. Wertheimer, sr. v.p.-finance & chief financial officer; Nicholas I. White, sr. v.p.-merchandising & marketing; Dolph B. H. Simon, v.p., general counsel & secretary; Charles F. Gill, assistant to the president; Jacob Friedlender, v.p.-diamond procurement; Ervin G. Polze, v.p. & corp. controller.

Directors: Irving R. Gerstein, Charles F. Gill, Ronald Altman, Bertrand Gerstein, Gernot Langes-Swarovski, Christian Schwemberger- Swarovski.

Business Activities
Operates a nationwide chain of specialty retail jewelry stores and leased jewelry departments. The Zale Division serves Middle America with 728 jewelry stores offering medium-priced merchandise. The Guild Division operates 297 upscale jewelry stores under 23 trade names (104 under the Baily Banks and Biddle name). Diamond Park Fine Jewelers operate jewelry departments in 237 department, discount and specialty stores.

Divisions:

Zale Jewellers
3000 Diamond Park Drive
Dallas, Texas 75247
(214) 634-4011

The Guild Division

Bailey, Banks & Biddle Jewelers
450 West 33rd Street
New York, New York 10001
(212) 560-1100

Diamond Park Fine Jewelers
3000 Diamond Park Drive
Dallas, Texas 75247
(214) 634-4011

Number of Stores: (at fiscal year end)

1988	1,262	1985	1,577
1987	1,261	1984	1,552
1986	1,528		

NOTE: On Dec. 26, 1986, PS Associates purchased substantially all of the outstanding capital stock of the Company. The Partnership was a Netherlands limited partnership which is indirectly controlled 50% by Peoples Jewellers Ltd. and 50% by Swarovski Int'l. Holding.

Sales & Earnings

	Net Sales +	Net Income†
3/31/88	$ 909,312,000	$ 11,837,000
3/31/87+*	123,875,000	(27,949,000)
12/31/86x‡	911,251,000	35,175,000
3/31/86x	1,107,173,000	(61,125,000)
3/31/85x	1,054,338,000	38,802,000

	No. of Com. Shares #	Earn. per Share #†
3/31/88+	16,843,559	$ 0.70
3/31/87+*	13,012,733	—
12/31/86x‡	13,014,000	2.70
3/31/86x	12,520,042	—
3/31/85x	12,251,192	3.20

(Loss)
* 3 months
‡ 9 months
+ New Zale
x Old Zale
† Including extraorrdinary gain of $9,026,000 in 1988.
# Based on the average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
3/31/88+	$ 9.33	—	—
3/31/87+	1.03	—	—
12/31/86x	—	—	—
3/31/86x	1.32	—	—
3/31/85x	1.305	—	—

+ New Zale
x Old Zale

Common Stock Equity

	Total Equity	Equity Per Share
3/31/88+	$ 347,611,000	$ 20.64
3/31/87+	471,586,000	36.24
12/31/86x	446,982,000 ‡	34.35
3/31/86x	411,738,000 ‡	32.89
3/31/85x	465,459,000 ‡	37.99

+ New Zale
x Old Zale
‡ After allowing for preferred stock at total liquidation preference.

Income Account*
(000's)

Year ended March 31	1988	1987 (3 months)
Net sales	$ 909,312	$ 123,875
Cost of sales	608,598	89,037
Expenses	208,211	52,411
Interest expense	71,616	10,376
Inc. (loss) bef. taxes	$ 20,887	$ (27,949)

Income taxes	18,076	—
Net Income (Loss)	$ 2,811	$ (27,949)
Extraord. gain	9,026	—
Net Income (Loss) & extraord. gain	$ 11,837	$ (27,949)

* Included in Costs and Expenses, Depreciation and Amortization: $28,158,000 in 1988 and $6,528,000 in 1987.

Assets (000's)

As of March 31	1988	1987
Cash	$ 3,031	$ 3,861
Accts. receiv., net	—	330,779
*Inventories	434,537	426,032
Other assets	35,021	62,370
Current Assets	$ 472,589	$ 823,042
Invest. in Zale Credit	89,659	10
Receiv. from affil.	225,000	5,000
#Fixed assets	113,533	121,574
Other assets	225,669	175,944
Total Assets	$ 1,126,450	$ 1,125,570

Liabilities (000's)

Notes payable	$ 30,959	$ 317,161
Note payable to Zale Credit	53,131	—
Long-term debt, curr.	429	54,129
Accts. payable & accruals	188,773	145,735
Losses for bus. restruc.	29,047	32,833
Taxes due parent	1,500	53,697
Curr. Liabilities	$ 303,839	$ 603,555
Long-term debt	475,000	50,429
+Common stock	15,000	15,619
+Class B common	1,843	—
Add. paid-in capital	346,880	486,523
Retained earnings (deficit)	(16,112)	(27,949)
Treasury stock	—	(2,607)
Total Liabilities & Shareholders' Equity	$ 1,126,450	$ 1,125,570

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	2.30	—
%Net Income to Sales	0.31	—
%Net Income to Equity	0.81	—
Sales to Inventories	2.09	0.29
Debt to Equity	1.61	0.89
Working Capital	$ 168,750,000	$ 219,487,000
Current Ratio	1.56	1.36
Shareholders' Equity	$ 347,611,000	$ 471,586,000

Zayre Corp.

Framingham, Massachusetts
(508) 390-1000

Officers: Maurice Segall, chairman, president & chief executive officer; Sumner L. Feldberg, chairman of executive committee; Bernard Cammarata, exec. v.p.; John F. Levy, exec. v.p.; Michael Bilotti, sr. v.p.-corp. info. systems; Gerald P. Donini, sr. v.p.-human resources; Arthur F. Lorwy, exec. v.p.-finance; George Freeman, v.p.-finance; Edward J. Weisberger, v.p. & controller; Irving Ritz, v.p.-labor relations; Jay H. Meltzer, v.p., general counsel & secretary; Steven Wishner, v.p. & treasurer.

Directors: Max Feldberg, Stanley G. Feldberg*, Sumner L. Feldberg*, Walter J. Salmon*, Burton S. Stern, Reva Korda, John W. Hennessey, Jr., Robert F. Shapiro*, Adele S. Simmons, Maurice Segall*, Charles J. Simons, John H. Bustamante, Joe M. Henson.

* Member of the Executive Committee

Business Activities: Operates a chain of self-service discount department stores, under the name Zayre in 26 states; ladies' apparel specialty stores under the name Hit or Miss shops in 33 states, and T.J. Maxx family apparel stores in 37 states. Also operates 19 BJ's Wholesale Clubs, a chain of self service, cash and carry warehouses; and 36 Home Clubs, a chain of home improvement warehouses.

Subsidiary:

The TJX Companies, Inc. (82.9%-owned)
82.9%-owned

Transfer Agent(s):

State Street Bank and Trust Company
Boston, Massachusetts

Stock Exchange(s): New York

Ticker Symbol: ZY

Number of Stores: (at fiscal year end)

	Div. Stores	Ladies Apparel Stores
1988	382	485
1987	362	461
1986	337	428
1985	290	401
1984	275	356

	Discount Apparel Supermarket	Warehouse Clubs
1988	265	55
1987	226	43
1986	191	29
1985	156	15
1984	118	9

Sales & Earnings

	Net Sales ‡ (000's)	Net Income † (000's)
1987	$ 6,186,476	$ 143,312
1986*	5,350,638	88,974
1985	4,036,018	94,647
1984	3,191,172	78,033
1983	2,623,698	59,783

	No. of Com. Shares +	Earn. Per Share # †
1987	56,107,244	$ 2.44
1986*	58,047,775	1.49
1985	58,746,596	1.61
1984	42,302,374	1.41
1983	36,865,232	1.13

* 53 Weeks.
‡ Of continuing operations only.
† Including extraordinary loss of $3,432,000 ($0.06 per share) in 1986.
+ Adjusted to reflect stock dividend and stock splits.
# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend and stock splits.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1987	$ 0.40	—	—
1986	0.32	—	2-for-1
1985	0.24	—	4-for-3
1984	0.15	10%	—
1983	0.10	—	2-for-1

+ Adjusted to reflect stock dividend and stock splits.

Common Stock Equity

	Total Equity	Equity Per Share +
1987	$ 731,324,000	$ 13.03
1986	652,314,000	11.24
1985	605,775,000	10.31
1984	498,057,000	11.77
1983	397,814,000	10.79

+ Adjusted to reflect stock dividend and stock splits.

Income Account * (000's)

Year ended	1/30/88 (53 weeks)	1/31/87
Net sales	$ 6,186,476	$ 5,350,638
Cost of sales	5,018,606	4,230,629
Expenses	1,051,120	904,096
Interest expense + cap. lease oblig.	44,854	43,430
Gain on sale of min. int.	(152,668)	—
Income before taxes	$ 224,564	$ 172,483
Income taxes	93,917	80,077
Minority interest	7,871	—
Net Income	$ 122,776	$ 92,406
Extraord. loss	—	(3,432)
Cum. effect of accntg. change	20,536	—
Net Income & extraord. loss	$ 143,312	$ 88,974

* Included in Costs and Expenses, Depreciation and Amortization: $76,973,000 in 1987 and $62,601,000 in 1986.

Assets (000's)

As of	1/30/88	1/31/87
Cash & marketable securities	$ 60,873	$ 35,244
Accts. receiv., net	21,679	23,490
*Inventories	1,268,993	1,099,724
Prepaid expenses	38,357	29,977
Current Assets	$ 1,389,902	1,188,435
#Fixed assets	676,861	596,662
Leased prop. under cap. leases	86,849	68,704
Other assets	23,939	20,441
Intangibles	—	4,880
Total Assets	$ 2,177,551	$ 1,879,122

Liabilities (000's)

Long-term debt, curr.	$ 12,004	$ 8,690
Accts. payable	468,006	395,905
Accruals	252,120	186,725
Income taxes	18,158	53,203
Oblig. under cap. leases	6,605	7,664
Curr. Liabilities	$ 756,893	$ 652,187
Long-term debt	371,725	401,330
Oblig. under cap. leases	101,291	82,146
Deferred inc. taxes	172,550	91,145
Minority interest	43,768	—
+Common stock	56,842	58,981
Add. paid-in capital	161,700	226,575
Retained earnings	511,825	391,351
Treasury stock	(19,043)	(24,593)
Total Liabilities & Shareholders' Equity	$ 2,177,551	$ 1,879,122

* At lower of cost or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	3.63	3.22
%Net Income to Sales	1.98	1.73
%Net Income to Equity	16.79	14.17
Sales to Inventories	4.88	4.87
Debt to Equity	0.67	0.62
Working Capital	$ 633,009,000	$ 536,248,000
Current Ratio	1.84	1.82
Shareholders' Equity	$ 731,324,000	$ 652,314,000

Zenith Electronics Corpcration

1000 Milwaukee Avenue
Glenview, Illinois 60025
(312) 391-7000

Officers: Jerry K. Pearlman, chairman and president; Robert B. Hansen, pres.-consumer products group; Carl A. Michelotti, president-computer group; Otto M. Genutis, president-components group; James L. Faust, president-cable products; Howard H. Graham, v.p.-finance; Gerald M. McCarthy, pres.-Zenith Sales Company; Michael J. Kaplan, v.p.-human resources and public affairs; Melvin L. Moore, president-CRT group; James A. Stark, v.p.-purchasing, consumer products; David S. Levin, treasurer; Dennis J. Waldeck, secretary; John Borst, Jr., v.p. & general counsel; Bruce A. Huber, v.p.-marketing, consumer products; Peter C. Skerlos , v.p.-engineering, consumer products; M. Vincent Kamler, v.p.-manufacturing, consumer products; Michael S. Tamkin, v.p.-video display operations; John P. Frank, president-Zenith Data Systems; William E. Johnson, president-Heath Company.

Directors: Harry G. Beckner, Sidney Davidson, John H. Johnson, Wilbur H. Gantz, Frederick G. Jaicks*, Arthur W. Schultz, Jerry K. Pearlman*, Jonn W. Madigan, Robert B. Hansen, G. Ralph Guthrie*, Joseph S. Wright, Director Emeritus.

* Member of the Executive Committee

Business Activities: Designs, develops, manufactures and markets consumer electronics and related products. Also operates more than 60 Heath/Zenith Computers & Electronics retail centers in the U.S. and Canada.

Divisions and Subsidiaries:

Zenith Electronics Corporation
1900 North Austin Avenue
Chicago, Illinois 60639
(312) 745-2000

Zenith Microcircuits Corporation
1851 Arthur Street
Elk Grove, Illinois 60007
(312) 956-1550

Rauland Division
2407 W. North Ave.
Melrose Park, Illinois 60160
(312) 379-4600

Zenith Electronics Corporation
1500 No. Kostner Avenue
Chicago, Illinois 60651
(312) 745-2000

Zenith Electronics Corporation
11000 Seymour
Franklin Park, Illinois 60131
(312) 671-7550

Springfield Division
2300 E. Kearney Street
Springfield, Missouri 65801
(417) 865-8341

Zenith Electronics Corp. of Indiana
1515 No. Fulton Avenue
Evansville, Idaho 47710
(812) 432-7761

Zenith Electronics Corp. of Texas
6601 South 33rd Street
McAllen, Texas 78503
(512) 687-9161

Electro Partes de Matamoros, S.A. de C.V.
P.O. Box 848
Brownsville, Texas 78520

Partes de Television de Reynosa S.A. de C.V.
P.O. Box 848
Brownsville, Texas 78520

Zenith Taiwan Corporation
Zenith Electronics (Pacific) Ltd.
No. 16 Chih Chiang First Road
Chung-Li Industrial District
Chung-Li Shin

Tos Yuan Haien
Taiwan R.O.C. (322)

Zenith Radio Corp. of Canada, Ltd.
1020 Islington Avenue
Toronto, Ontario M8Z 5X5 Canada
(416) 231-4171

Zenith Distributing Corp. of Northern California
800 Mariposa Street
San Francisco, California 94107
(415) 621-8545

Zenith Distributing Corporation of Southern California
11945 East Pike Street
Santa Fe Springs, California 90670
(213) 699-7461

Zenith Distribution Corp. of New York
200 Meadowland Parkway
Secaucus, New Jersey 07094
(201) 330-9000

Zenith Distributing Corp. - Midstates
12600 West 93rd Street
Lenexa, Kansas 66215
(913) 888-4800

Zenith Distributing Corp. of Illinois
505 No. Northwest Avenue
Northlake, Illinois 60164
(312) 562-7300

Zenith Data Systems
1000 Milwaukee Avenue
Glenview, Illinois 60025
(312) 391-8860

Zenith Electronics (Ireland) Ltd.
Virginia Road, Kells
County Meath, Ireland

Zenith Electronics Corp. of Arizona
217 3rd Street
Douglas, Arizona 85607

Telson De Mexico, S.A. de C.V.
217 3rd Street
Douglas, Arizona 85607

Zenith Video Tech Corporation
11000 Seymour Avenue
Franklin Park, Illinois 60131

Zenith Video Products Corporation
1000 Milwaukee Avenue
Glenview, Illinois 60025

Cableproductos De Chihuahya, S.A. De C.V.
P.O. Box 848
Brownsville, Texas 76520

Productos Magneticos de Chihuahua, S.A. de V.C.
P.O. Box 848
Brownsville, Texas 78520

Zenco De Chihuahua, S.A. De C.V.
P.O. Box 848
Brownsville, Texas 78520

Zenith/Inteq, Inc.
13860 Redskin Drive
Herndon, Virginia 22071

Veritechnology Electronics Corporation
Hilltop Road
St. Joseph, Michigan 49805

Heath Company
Hilltop Road
St. Joseph, Michigan 49805
(616) 982-3200

Transfer Agent(s):

The First National Bank of Boston
Boston, Mississippi

Stock Exchange(s): New York, Midwest, Zurich, Basel, Geneva

Ticker symbol: ZE

Number of Stores: (at fiscal year end)

1987	N.A.	1984	70
1986	66	1983	72
1985	70		

N.A. – Not Available.

Sales & Earnings

	Net Sales + (000's)	Net Income † (000's)
1987	$ 2,362,700	$ (19,100)
1986	1,892,100	(10,000)
1985	1,623,700	(7,700)
1984	1,716,000	63,600
1983	1,361,000	46,300

	No. of Com. Shares	Earn. per Share †
1987	25,920,280	$ —
1986	23,345,227	—
1985	23,130,291	—
1984	22,144,058	2.88
1983	21,961,067	2.26

(Loss)
+ Of continuing operations only.
† Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues by Line of Business
(000's)

	1987	1986
Consumer electronics	$ 1,100,000	$ 1,212,000
Computer Products	1,036,000	548,000
Systems & components	228,000	132,000
Total	$ 2,364,000	$ 1,892,000

Common Stock Equity

	Total Equity	Equity Per Share
1987	$ 478,200,000	$ 18.45
1986	431,600,000	18.49
1985	437,200,000	18.90
1984	442,800,000	20.00
1983	375,200,000	17.08

Income Account *
(000's)

Year ended Dec. 31	1987	1986
Net sales	$ 2,362,700	$ 1,892,100
Cost of sales	2,017,900	1,588,400
Expenses	342,700	302,400
Other income	(9,700)	(3,800)
Gain on sale of prop.	(400)	—
Gain on term. of pension plan	—	(700)
Interest expense	45,700	29,600
Interest income	(4,600)	(3,600)
Loss bef. taxes	$ (28,900)	$ (20,200)

Tax credit	(9,800)	(10,200)
Net Loss	$ (19,100)	$ (10,000)

* Included in Costs and Expenses, Depreciation: $41,500,000 in 1987 and $40,000,000 in 1986.

Assets
(000's)

As of Dec. 31	1987	1986
Cash & mkt. secur.	$ 19,500	$ 2,900
Receiv., net	417,700	378,200
*Inventories	583,600	502,800
Prepaid expenses	68,700	82,500
Current Assets	$ 1,089,500	$ 966,400
#Fixed assets	266,800	256,500
Other assets	16,700	12,100
Total Assets	$ 1,373,000	$ 1,235,000

Liabilities
(000's)

Short-term debt	$ 113,000	$ 95,000
Long term debt, curr.	6,900	6,900
Accts. payable	220,500	199,000
Accruals	72,200	59,100
Accrued payroll	53,900	44,800
Income taxes	2,300	7,400
Prod. warranties	42,900	43,000
Co-op adv. & merch. prog.	36,400	35,800
Curr. Liabilities	$ 548,100	$ 491,000
Long-term debt	315,400	272,400
Deferred inc. taxes	31,300	40,000
+Common stock	25,900	23,300
Add. paid-in capital	132,800	69,700
Retained earnings	319,500	338,600
Total Liabilities & Shareholders' Equity	$ 1,373,000	$ 1,235,000

* At lower of cost (majority at FIFO; remainder at LIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

Sale to Inventories	4.05	3.76
Debt to Equity	0.66	0.87
Working Capital	$ 541,400,000	$ 475,400,000
Current Ratio	1.99	1.97
Shareholders' Equity	$ 478,200,000	$ 431,600,000

Zion's Co-operative Mercantile Institution

2200 South 900 West
Salt Lake City, Utah 84137
(801) 321-6179

Officers: Marvin J. Ashton, chairman of the board; L. Tom Perry, vice chairman; Lowell M. Durham, Jr., president & chief exec. officer; Darrell F. Robinette, v.p.-stores; Keith C. Saunders, executive v.p., chief financial officer, secretary & treasurer; Milo L. Carlston, v.p.-operations; R. Barry Arnold, v.p. & general merchandising manager; Nancy Mortenson, v.p.-marketing services; Ronald L. Culverwell, asst. secretary.

Directors: L. Tom Perry*, Spencer F. Eccles, Patricia Madsen*, Marvin J. Ashton*, Lowell M. Durman, Jr.*, A. Blaine Huntsman, Dan S. Bushnell, James S. Jardine, Keith C. Saunders, Lela Ence, Patricia T. Holland.

* Member of the Executive Committee

Business Activities: Operates 10 ZCMI department stores in Utah and Idaho.

Transfer Agents:

Zion's Co-operative Mercantile Institution
Salt Lake City, Utah 84137

Stock Exchange(s): Over-the-Counter

Number of Stores: (at fiscal year end)

1988	10	1985	9
1987	10	1984	9
1986	10		

Sales & Earnings

	Net Sales †	Net Income
1988	$ 184,158,029	$ (163,458)
1987	184,259,332	2,254,819
1986	164,783,867	1,711,279
1985	159,511,660	7,604,944
1984	151,015,182	3,631,191

	No. of Com. Shares #	Earn. per Share †
1988	2,153,362	$ —
1987	2,161,457	1.04
1986	2,161,509	0.79
1985	2,161,509	3.52
1984	2,161,509	1.68

(Loss)
‡ Includes other income.
# Adjusted to reflect stock split.
† Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1988	$ 0.60	—	—
1987	0.60	—	—
1986	0.60	—	—
1985	0.60	—	—
1984	0.58	—	3-for-1

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share +
1988	$ 50,969,773	$ 23.67
1987	52,561,269	24.32
1986	51,619,114	23.88
1985	51,204,740	23.69
1984	44,896,703	20.77

+ Adjusted to reflect stock split.

Income Account *

Year ended Jan. 31	1988	1987
Net sales & other income	$ 184,158,029	$ 184,259,332
Cost of sales	121,365,532	121,004,568
Expenses	59,584,261	55,913,704
Interest expense	3,565,694	3,184,941
Income (loss) before taxes	$ (337,458)	$ 4,156,119
Income taxes (credit)	(194,000)	1,901,300
Net Income (Loss)	$ (163,458)	$ 2,254,819

* Included in Costs and Expenses, Depreciation and Amortization: $3,756,875 in 1988 and $3,443,456 in 1987.

Assets

As of Jan. 31	1988	1987
Cash	$ 802,027	$ 2,242,246
Receiv., net	48,768,000	50,761,396
Long-term note receiv.	17,302	1,009,089
*Inventories	26,902,939	26,453,799
Prepaid expenses	357,863	463,682
Current Assets	$ 76,848,131	$ 80,930,212
Long-term note receiv.	20,282	1,350,143
#Fixed assets	33,519,812	34,471,720
Other assets	750,525	809,194
Total Assets	$ 111,138,750	$ 117,561,269

Liabilities

Long-term debt, curr.	$ 187,760	$ 174,584
Cap. lease oblig., curr.	1,298,657	1,208,557
Accts. payable	4,696,125	5,455,705
Short-term borrowings	3,000,000	3,725,000
Accruals	6,534,754	6,456,108
Accrued payroll	1,919,254	2,157,911
Income taxes	456,869	2,475,844
Deferred inc. taxes	4,783,329	5,710,729
Curr. Liabilities	$ 22,876,748	$ 27,364,438
Long-term debt	17,385,186	16,348,808
Cap. lease oblig.	19,774,196	21,072,854
Deferred inc. taxes	132,847	213,347
+Common stock	14,904,704	14,899,972
Retained earnings	36,299,663	37,760,542
Treasury stock	(234,394)	(98,692)
Total Liabilities & Shareholders' Equity	$ 111,138,750	$ 117,561,269

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $20 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	2.26
%Net Income to Sales	—	1.22
%Net Income to Equity	—	4.29
Debt to Equity	0.82	0.81
Working Capital	$ 53,971,383	$ 53,565,774
Current Ratio	3.36	2.96
Shareholders' Equity	$ 50,969,773	$ 52,561,822

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